

2025 SENATE JUDICIARY

SB 2035

2025 SENATE STANDING COMMITTEE MINUTES

Judiciary Committee Peace Garden Room, State Capitol

SB 2035
1/13/2025
10:00 a.m.

A BILL relating to the definitions of an educational organization and public-spirited organization, and raffles; and to provide for application.

9:57 a.m. Chair Larson called the meeting to order.

Members Present: Chair Larson, Vice-Chair Paulson, Senators Braunberger, Castaneda, Cory, Luick, Myrdal.

Discussion Topics:

- Youth Activities
- Gaming Funds Effect on Community
- Interpretation Concerns
- Tourism

9:58 a.m. Senator Myrdal introduced the bill.

10:02 a.m. Austin Gunderson, Counsel for Legislative Council, testified neutral.

10:07 a.m. Deb McDaniel, Director of Gaming for the Office of the Attorney General, testified neutral.

10:10 a.m. Sheri Grossman, CEO, Bismarck Mandan Convention & Visitors Bureau, testified in opposition and submitted testimony #28574.

10:15 a.m. Teran Doerr, Executive Director, Bowman County Development Corporation, testified in opposition and submitted testimony #28517.

10:22 a.m. Aaron Barth, Fort Abraham Lincoln Foundation & Northern Plains Foundation, testified in opposition.

10:24 a.m. Scooter Pursley, Executive Director, ND Travel Alliance Partnerships, testified in opposition and submitted testimony #28557.

Additional Written Testimony:

Amy Krueger, Executive Director, Williston Convention and Visitor Bureau, submitted testimony in opposition #28637.

10:29 a.m. Chair Larson closed the hearing.

Kendra McCann, Committee Clerk



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**Testimony of Teran Doerr
Bowman County Development Corporation
Opposition to SB 2035
January 13, 2025**

Chairwoman Larson, members of the Senate Judiciary Committee:

This testimony is submitted in strong opposition to SB 2035. We respectfully request that rural economic development offices and tourism organizations remain eligible for charitable gaming funds, as our work provides essential, community-wide benefits that align with the intent of this legislation. I urge you to consider the broad impact of our programs, which strengthen the social, economic, and overall well-being of our rural communities.

Thank you for the opportunity to submit this testimony on Senate Bill 2035. My name is Teran Doerr, and I serve as the Executive Director of the Bowman County Development Corporation, a rural economic development office that has responsibly used charitable gaming revenues to improve the quality of life in our community for over 25 years. I am here to express my concerns about the proposed amendments to the definitions of public-spirited organizations and to oppose changes that could unintentionally harm economic development and tourism organizations.

We are committed to using charitable gaming funds for charitable purposes. We keep our expenses to a minimum, 41%, according to our last report, in order to ensure that charities receive the maximum benefit from these funds. Our office carefully structures our gaming program to prioritize transparency and accountability, ensuring that funds are distributed responsibly and benefit the broader community. Specifically, we have used charitable gaming funds to support:

- **Childcare programs** to address critical shortages in rural areas, ensuring families have access to affordable childcare.
- **Youth and adult education programs** that provide career exploration, workforce training, and skill development opportunities.
- **Community development projects** that improve public spaces and enhance the quality of life for residents.
- **25% of our charitable gaming revenue** is allocated to the Bowman County Historical Museum, which preserves and promotes our community's rich history and cultural heritage.
- **A portion of the funds** is directed to the Rhame Fire Department, helping to support their lifesaving emergency services and ensuring our rural community remains safe.
- **We also provide funding** to the Bowman American Legion, supporting their efforts to honor and serve our veterans and their families.

Additionally, we established the **Play It Forward Fund** to extend the reach of our charitable gaming dollars further. This grant program, managed by a subcommittee that includes community members, has supported projects such as:

- New playground equipment for local parks.
- Additions to a veterans' memorial wall.
- HVAC system upgrades for the Rhame American Legion meeting hall.
- Flags and crosses for the Bowman American Legion to mark veterans' graves at our cemetery.
- Girls Circle Group Program, fostering self-esteem and connection among young girls by creating a safe, supportive environment.
- Council on Aging Meals on Wheels Program, ensuring that seniors in our community receive nutritious meals and regular wellness checks.

These initiatives demonstrate our commitment to broadening the impact of charitable gaming funds across the community. Because of how we administer these funds, many charities receive the benefit. Our organization has the mission and infrastructure to ensure that funds are distributed efficiently and equitably to meet diverse community needs.

While I agree that charitable gaming funds should be used for charitable purposes, I believe the language in SB 2035 is too subjective and creates unnecessary uncertainty. Eliminating an organization solely based on its title fails to consider the mission and charitable work being done by that organization to address critical community needs. Many economic development and tourism organizations have responsibly managed these funds to address critical community needs and improve quality of life.

We respectfully urge the committee to oppose SB 2035 to ensure that charitable gaming funds continue to support economic development and tourism organizations that play a vital role in strengthening our rural communities.

Thank you for your time and consideration. I would be happy to answer any questions you may have, provide further details about our programs and impact, or share additional supplemental information if requested.

Respectfully submitted,

Teran Doerr, Executive Director
Bowman County Development Corporation

North Dakota

Travel Alliance Partnership

**Testimony of Scooter Pursley
Executive Director, ND Travel Alliance Partnership
In Opposition to SB 2035
January 13, 2025**

Chair Larsen and members of the Senate Judiciary Committee:

My name is Scooter Pursley and I am the executive director of the North Dakota Travel Alliance Partnership (TAP). TAP is a coalition of travel industry stakeholders, including convention and visitors bureaus, state attractions, businesses and others who help make tourism the third-largest industry in North Dakota's. On behalf of the tourism industry and its partners, I am asking you to oppose SB 2035 for the simple reason that it excludes "tourism" from acceptable uses of gaming revenue.

This piece of legislation emerged from the interim Judiciary Committee's comprehensive study of the problems that have arisen from the proliferation of electronic pull tabs and other gaming in recent years. While striking out "tourism," it still leaves the option open for CVBs to continue to receive funding if the political subdivision deems them to "confer a direct benefit on the community at large," which is the sole purpose that CVBs exist.

Removing "tourism" does not address the issues that the interim committee was tasked to address. It simply was low-hanging fruit that could be easily picked off.

CVBs never have been part of the problems facing the gaming industry, but they could be part of a larger problem if the funding mechanism is removed. Their gaming funds are not used to benefit one group, but their communities at large. Without it, the three municipalities in North Dakota currently conducting charitable gaming would see less funding for marketing, fewer conferences, conventions, events and thus less tax revenue.

In 2023 alone, the Bismarck-Mandan Convention and Visitors Bureau used gaming funds to help attract 290 multiple-day meetings and events that attracted 269,000 attendees who spent \$23.5 million in the community. Charitable gaming accounts for about \$900,000, or half of the Bismarck-Mandan CVB budget.

TAP asks that you consider amending SB 2035 to allow "tourism," and CVBs to continue conducting charitable gaming as they have done since 1993 for the greater benefit of their communities. Thank you for your consideration.

Scooter Pursley | Executive Director
North Dakota Travel Alliance Partnership
701-355-4458
NDtravelalliance.com
spursley@clearwatercommunications.net



Bismarck-Mandan
Convention & Visitors Bureau
1600 Burnt Boat Drive
Bismarck, ND 58503
701-222-4308
800-767-3555

Testimony of Sheri Grossman
Bismarck-Mandan Convention & Visitors Bureau
Senate Bill 2035
January 13, 2025

Chairperson Larson and Members of the Senate Judiciary Committee:

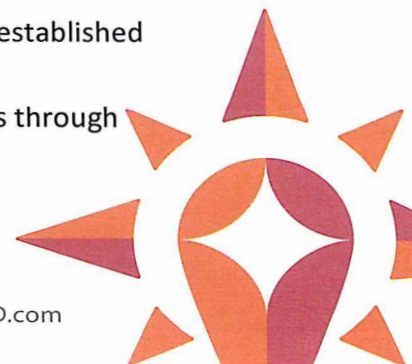
My name is Sheri Grossman, and I am the CEO for the Bismarck-Mandan Convention & Visitors Bureau (CVB). I appear in opposition to Senate Bill 2035.

We are not new to gaming and have been conducting gaming since 1993. At that time, the legislators passed legislation to include Convention & Visitors Bureaus as a public-spirited organization for charitable gaming. We were always included in the original intent. We are not a part of the issues caused by the recent surge in gaming and have been conducting gaming for three decades. We only have five sites and removing us from gaming wouldn't do anything to change the expansion of gaming but would have a devastating effect on our organization and the benefit we provide for our community. There are only three CVB's in North Dakota that conduct gaming. We are a very small part of the overall gaming community.

Our gaming funds aren't spent to benefit just one group, instead our work benefits the entire community. Our gaming funds are used to bring more people to Bismarck-Mandan to spend money in our restaurants, hotels and stores, and visit our attractions, and to showcase our communities to others who might want to live here. These visitors generate sales tax which can be used by local governments to fix roads, give property tax relief and more.

Gaming funds help market Bismarck-Mandan to meeting and event planners and leisure travelers. Some specific uses include:

- Pledged \$500,000 to Riverfront Festival Grounds for the matching Destination Development grant program appropriated by the legislature last session.
- Grant program for new meetings and events such as recreational, artistic or cultural events partnerships.
- Provide financial assistance and other complimentary services to established meetings, conventions, sports and events.
- Extensive media plan that touts the attributes of our communities through two campaigns:
 - Leisure traveler
 - Conventions, meetings and events



In 2023, we assisted 290 multiple-day meetings and events that drew 269,000 attendees who spent \$23.5 million dollars while in our community. That is a significant return on investment.

Our gaming funds account for about half of our annual budget, or approximately \$900,000. Without this current and continued source of income the Convention and Visitors Bureau will be unable to provide all the local benefits on our communities at large, such as helping fund the Riverfront Festival Grounds, or financially supporting Bismarck's 4th of July fireworks, Mandan Rodeo Days, or Mandan Holiday Lights, United Tribes Technical College's International PowWow and McQuade's Charity Softball Tournament (which is the USA's largest charity softball tournament and distributes all proceeds to charities), to name a few.

For many reasons, including those mentioned in these comments, we certainly believe our mission would fall under the added language as an "organization conferring a direct benefit on the community at large." However, these words are subjective and create statutory uncertainty that could later result in an issue of whether our organization is, in fact, eligible to engage in charitable gaming.

We respectfully ask that Convention and Visitors Bureaus be allowed to continue conducting charitable gaming that has been authorized for three decades. Removing this funding mechanism would have a devastating effect on the BMCVB, Bismarck-Mandan and the groups throughout the state that meet in our community. We respectfully ask for a do not pass on Senate Bill 2035.

Thank you for your time and consideration.



January 13, 2025

SB 2035

Senate Judiciary Committee

Chairman and members of the Senate Judiciary Committee:

I am Amy Krueger, Executive Director of the Williston Convention and Visitor Bureau, Inc. a charitable gaming organization. We fall within the language that is proposed to be stricken in this proposed bill, and with no grandfather clause, we would no longer be able to operate.

Most organizations that this bill would affect are organizations that have been in operation since close to the beginning of charitable gaming. They are ones that are following the rules and regulations that have been set to follow.

The Williston Convention and Visitor Bureau, Inc. has been operating gaming for 28 years. We currently have 8 sites, at least 6 of these site locations have been with our organization for over 15 years. These are not sites that we have just acquired in the peak of good times. Many of these may have changed ownership, gone through different phases of development but we have been able to maintain the locations through it all. We currently have 16 gaming employees.

In 2024 Williston CVB Charitable Gaming was able to directly support 19 different organizations with grant dollars totaling \$402,910. In the last 5 years we have supported about 50 different organizations, giving over 1.3 million dollars in grants. A few examples of how these funds are being used are to support youth sporting tournaments, community events, capital projects such as turf fields, trap range development, and historic building projects. These directly impact the groups involved hosting the events and maintaining these facilities, but indirectly it has also benefited so many local business owners of restaurants, shops, hotels, gas stations and others with the customers the events and attractions have brought to the area. This bill would not just negatively affect one organization.

I kindly ask for a Do Not Pass on SB 2035.

Sincerely,

Amy Krueger

Amy Krueger, Executive Director

2025 SENATE STANDING COMMITTEE MINUTES

Judiciary Committee Peace Garden Room, State Capitol

SB 2035
1/13/2025
1:58 p.m.

A BILL for an Act to amend and reenact subsections 7 and 21 of section 53-06.1-01, subdivision a of subsection 1 of section 53-06.1-03, subsection 2 of section 53-06.1-10.1, and subdivision c of subsection 2 of section 53-06.1-11.1 of the North Dakota Century Code, relating to the definitions of an educational organization and public-spirited organization, and raffles; and to provide for application.

1:58 p.m. Chair Larson opened the hearing.

Members Present: Chair Larson, Vice-Chair Paulson, Senators Braunberger, Castaneda, Cory, Luick, Myrdal.

Discussion Topics:

- Charity and Non-Profit Definitions
- Intents and Interpretations
- Grandfather Clause

1:59 p.m. Scott Meske, ND Gaming Alliance, testified in opposition and submitted testimony #28583.

2:08 p.m. Kory Peterson, ND League of Cities, testified in opposition and submitted testimony #28776.

2:11 p.m. Laura Lacher, Economic Development Association of ND Executive Director, testified in opposition and submitted testimony #28483.

2:12 p.m. Richard Steidler, MATPAC Wrestling Club, testified in opposition.

2:17 p.m. Deb McDaniel, Gaming Director for the Office of the Attorney General, testified neutral.

2:30 p.m. Chair Larson closed the hearing.

2:32 a.m. Senator Myrdal moved a Do Pass.

2:32 a.m. Senator Luick seconded the motion.

Roll Call Vote:

Senators	Vote
Senator Diane Larson	Y
Senator Bob Paulson	Y
Senator Ryan Braunberger	N

Senate Judiciary Committee

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Senator Jose L. Casteneda	Y
Senator Claire Cory	N
Senator Larry Luick	Y
Senator Janne Myrdal	Y

Motion Passed 5-2-0.

Senator Myrdal will carry the bill.

2:43 p.m. Chair Larson closed the hearing.

Kendra McCann, Committee Clerk

REPORT OF STANDING COMMITTEE
SB 2035 ([25.0280.01000](#))

Judiciary Committee (Sen. Larson, Chairman) recommends **DO PASS** (5 YEAS, 2 NAYS, 0 ABSENT AND NOT VOTING). SB 2035 was placed on the Eleventh order on the calendar. This bill does not affect workforce development.



January 13, 2024

Judiciary Committee

SB 2035

Senator Diane Larson, Chair

For the record, my name is Kory Peterson. I am appearing before you today on behalf of the North Dakota League of Cities, in opposition to SB 2035. Prior to working with the North Dakota League of Cities, I was the Mayor of Horace for 8 years, from June 2016 to July 2024.

The League has reviewed the changes being proposed in this bill and has concerns that the language will affect cities' economic development and tourism related organizations. There are many cities in the state of North Dakota that have some form of an economic development component to help promote economic growth.

For some cities, their economic development organizations conduct charitable gaming and use those funds for ad campaigns and promotional tools benefiting all the residents of the city. Cities are having to watch their budgets closely, so it is not always possible to fund these extra activities through the city general fund and those economic development organizations have found charitable gaming as an avenue to fund those programs to provide services to the businesses in their communities.

There are cities in the state that have some form of a convention and visitors bureau. This is another way cities attract businesses and promote tourism. While some of the larger cities may have a budget to run these programs, other cities may not have the means to create or run these programs. As such, some convention and visitors bureaus operate charitable gaming as a way to raise this funding.

There is concern that if this bill passes in its current form, a proven funding source for economic development organizations and convention and visitors bureaus to run these programs will be removed and their programs will have to be either paused or eliminated. This would be detrimental to promoting economic growth and tourism in cities that have programs relying on this funding source.

The League of Cities would respectfully encourage the committee to ensure that economic development and tourism organizations that are recognized by city governing bodies are considered a "public-spirited organization" under Section 1 of the amendment.

Thank you.

Kory Peterson



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Testimony of Laura Lacher
Economic Development Association of North Dakota
In Opposition of SB 2035
January 13, 2025

Chairwoman Larson and members of the Senate Judiciary Committee:

My name is Laura Lacher, executive director of the Economic Development Association of North Dakota (EDND). I am submitting this testimony in opposition to SB 2035. EDND represents more than 80 economic development and tourism organizations across North Dakota that rely on charitable gaming funds to address community needs and improve quality of life.

While we support ensuring these funds are used appropriately, we believe the language in SB 2035 is too subjective and could create uncertainty for organizations that have a proven track record of managing funds responsibly. The bill risks disqualifying organizations that provide essential services in rural communities.

Charitable gaming funds have supported critical community programs such as childcare assistance, youth and adult education, workforce training, and community development initiatives. These initiatives provide meaningful assistance to rural communities by addressing basic needs, fostering economic stability, and ensuring everyone has the opportunity to succeed.

We urge the committee to consider the unintended consequences of this bill. Without access to charitable gaming funds, many of these essential services would be diminished or disappear, leaving communities with fewer resources to address pressing needs.

Thank you for your time and consideration. We respectfully ask for a Do Not Pass recommendation on SB 2035 to ensure these funds continue to support North Dakota communities.



Benefiting North Dakota Communities through Charitable Gaming

January 13, 2025

Testimony in OPPOSITION of Senate Bill 2035

Madame Chair Larson and Members of the Senate Judiciary Committee:

I'm Scott Meske, representing the North Dakota Gaming Alliance and on behalf of the Members of the NDGA, we stand in opposition to Senate Bill 2035.

ND Gaming Alliance represents all facets of the charitable gaming industry. Veteran and Fraternal Organizations, Charities, Hospitality, Manufacturers, and Distributors. When charitable gaming was authorized by the State, the intent was to benefit the *charities and nonprofits* in our local communities. In the last biennium more than \$73 million has been disbursed into North Dakota's community causes because of charitable gaming. That revenue, injected directly into our communities, offsets the need to rely on other sources of income including property taxes, to meet the charity's stated mission and benefits North Dakota citizens and communities.

I want to share with you just a few things that charities have done recently. It seems as if most of the media coverage of gaming only concentrates on the very small percentage of violations that occur in the industry. Today, I want to share with you some of the good things charitable gaming has done in some of our communities – most of these stories never get told. The Aggie Foundation in Velva provided free lunches for school children in the city of Granville for the entire school year which otherwise would have been funded by taxes. Mandan Baseball covered \$4.9 million of a \$5.1 million renovation to the Mandan youth baseball complex which would have been funded by property taxes. The other \$200K was covered by the Mandan Park District. MatPac in Bismarck here gave \$500K to the Bismarck State College Bavendick Center which also would have been otherwise funded by taxes. Minto JC's were able to provide a building for Dept 701 - a non-profit that provides necessities like clothes, winter coats, toiletries to underprivileged families in their area. In the city of Rolla, their American Legion tragically burned down. This building was a staple of the community. The charity Revitalize Rolla was



Benefiting North Dakota Communities through Charitable Gaming

able to donate \$50K to pay for furnishings and kitchen equipment. At the time, the legion had exhausted all other fundraising opportunities and Revitalize Rolla was able to use their gaming trust to fill the gaps needed to complete the project. Not only did this help rebuild basically the only building that the community had to use for community events, it also restored the building that honored those that served in the military. These are just a very few examples of huge things that charities are doing for communities.

During the interim, the Committee heard from many stakeholders from the charitable gaming industry, as the committee went through their study topics. While we recognize some attempts to limit, restrict, roll back charitable gaming in North Dakota, we believe this bill is another attempt to circumvent the intent of the State Constitution, and re-define who can and who cannot participate in charitable gaming. The North Dakota Gaming Alliance has always offered to work with legislators and regulators to make the industry fair for everyone. Instead of determining who can or cannot conduct charitable gaming, if there is disagreement from legislators as to how the money is spent, we can work on that together. The main thing is not who is conducting gaming, but how those proceeds are being spent. This can easily be changed. However by taking away the ability of some charities to conduct gaming is irresponsible in our opinion. They have extensive investments into their organization. We ask you to please keep in mind that the charities that are under consideration to have their gaming abilities taken away by this legislation got into charitable gaming legally under the law that was in place when they did so. They were given permission to do so by both local governments and state government. Without a grandfather clause which would protect those investment they made, we cannot support this bill.

A registered nonprofit with the State of North Dakota is a nonprofit by tax definition, likely a 501 C3. Is every nonprofit a charity? No. Is every charity a nonprofit? By definition? YES!

The Legislature and the Gaming Commission have set rules for the conduct of charitable gaming in North Dakota. Organizations have employed those rules. Now, there appears to be multiple



Benefiting North Dakota Communities through Charitable Gaming

attempts to reign in those who have been successful – even though the rules set forth have been followed.

Madame Chair and Members of the Committee, you will have several bills before you this session that while on the surface look reasonable in their regulatory intent, yet when applied in blanket fashion across the state merely hinder those charities who work to improve our communities, those organizations this activity supports. This was proven during the 2023 session with SB 2304. The legislative intent of a portion of that bill dealing with site authorizations is not being interpreted as to what the intent of the legislature was. We just wanted to point that out because it happens, and that is what our main fear is with this bill. Intent vs. interpretation.

The North Dakota Gaming Alliance respectfully asks that you reject SB 2035 and give the bill a DO NOT PASS recommendation from this Committee.

Thank you.

2025 HOUSE EDUCATION

SB 2035

2025 HOUSE STANDING COMMITTEE MINUTES

Education Committee Coteau AB Room, State Capitol

SB 2035
3/5/2025

Relating to the definitions of an educational organization and public-spirited organization, and raffles; and to provide for application.

9:29 a.m. Chairman Heinert called the hearing to order.

Members Present: Chairman Heinert, Vice Chairman Schreiber- Beck, Representatives, Conmy, Hager, Hatlestad, Hauck, Heilman, Jonas, Longmuir, Maki, Marchall, Morton, Novak, Osowski

Discussion Topics:

- Charitable gambling
- Definition of 'public- spirited organizations'
- Rural recipients of donations

9:29 a.m. Senator Myrdal introduced the bill.

9:34 a.m. Austin Gunderson, Legislative Council, answered questions for the committee.

9:37 a.m. Bill Kalanek, Lobbyist, Charitable Gaming Association of ND, testified in opposition and submitted testimony. #38716

9:43 a.m. Sheri Grossman, CEO, Bismarck-Mandan Convention & Visitors Bureau, testified in opposition and submitted testimony. #38691

9:48 a.m. Scott Meske, Lobbyist, North Dakota Gaming Alliance, testified in opposition and submitted testimony. #38749

9:57 a.m. Kory Peterson, League of Cities, testified in opposition and submitted testimony. #38781

10:00 a.m. Teran Doerr, Executive Director, Bowman Country Development Corporation, testified in opposition and submitted testimony. #38756 #38866

10:04 a.m. Amy Krueger, Executive Director, Williston Convention & Visitors Bureau, testified in opposition and submitted testimony. #38685

10:06 a.m. Howard Klug, Mayor, City of Williston, testified in opposition.

10:11 a.m. Samuel Miller, Vice President, Ridge Runner Snowmobile club, testified in opposition and submitted testimony. #38576

10:14 a.m. Thomas Grzadzieleski, Drayton Curling Club, testified in opposition and submitted testimony. #38540

10:16 a.m. Thomas Halcrow, Board Member, Drayton Curling Club, testified in opposition and submitted testimony. #38614

10:19 a.m. Jenniffer Lindenberger, Treasurer, Grafton Curling Club, testified in opposition and submitted testimony. #38746 #38745

10:23 a.m. Deb McDaniel, ND Attorney General's office, answered questions for the committee and passed out information. #38878

Additional written testimony:

#38464, #38496, #38508, #38578, #38590, #38593, #38599, #38604, #38610, #38611, #38613, #38623, #38636, #38637, #38653, #38765, #38766, #38767, #38768, #38769, #38780, #38787, #38936, #38798

11:09 a.m. Chairman Heinert closed the meeting.

Addison Randazzo for Leah Kuball, Committee Clerk

We would like to formally state our club's opposition to the items being considered. It is our estimation that the proposed changes would adversely affect our ability to offer the youth of Grand Forks and the surrounding region the opportunity to participate in the Olympic Sport of Curling.

Over the years the Grand Forks Curling Club has provided a program for the development of our local youth to aspire to great achievement on the world stage in the sport of curling. Our club has produced young curlers that have gone on to win world and national championships. This has gone on for decades and even this most recent season, we have proudly witnessed our youth participate in and win 2 separate regional championships.

In addition to the sport of curling, our facility has hosted at least hundreds of regional children into our facility for the STEAM event these last few falls. The STEAM event is a demonstration of the type of things that are being planned for a local Children's Museum here in Grand Forks. Our ability to dedicate our facility for a few weeks to that endeavor would also be affected by these proposed changes.

Our facility and club are home to a wide range of residents in our region. All are welcome and we ask that you consider the impact of these proposed changes on those residents, of which are youth are a very special part

Dan Lindgren
Manager
Grand Forks Curling Club

Dear Representative(s),

The Valley Snowdrifters Snowmobile Club was established in 1994 to promote safe snowmobiling in the north east corner of the state. For the past 31 years we have maintained a single gaming site in Oakwood to produce revenue to further that cause. Our funds contribute to maintaining trails and equipment on the ND trail system after the state funds for the year have been exhausted. In addition to providing a safe riding trail system, our efforts assist in promoting ND tourism during the winter months.

The remaining monies from our gaming income are donated in and around the communities surrounding Oakwood/Grafton. None of our funds provide a direct benefit to our officers and members. Annual donations include but are not limited to the following:

- 5 Annual Scholarships to seniors in the Grafton High School
- Provide funding for youth sports around the area including hockey, basketball, baseball, football, softball, wrestling, archery, and trap shooting
- Support various local youth school organizations to assist with expenses.
- We have supported and continue to support many organizations around the area such as the Heritage Village, Fair Oaks, Life Skills Center, Imagination Library, Kiwana's Backpack Program, and Walsh County Food Pantry.

We have also made numerous donations to other charities in the region.

Removing the public-spirited organization definition for snowmobile clubs for designation as a non-profit would have an extremely detrimental impact on the Oakwood/Grafton Community as a whole. Many local causes depend on our annual donations derived from our gaming site activities.

This letter is to respectfully request that you Do Not support **SB 2035 – relating to the definitions of an educational organization and public-spirited organization** that has recently been submitted to your Committee.

Respectfully,
Garrett S. Thompson

SB 2035

I've been on the Charitable Gaming Board for our local Grafton Curlers for over 20 years now and am very concerned about this bill pulling the rug out on a very important part of our local community. The Bill leaves much uncertainty. We certainly qualify to continue as a charity under the language in the bill as we are a nonprofit providing community recreation and youth activities by the public utilizing our curling facility and have additionally sponsored many worthy outside charitable causes over the years when funds allowed. The language omitting "in state adult amateur athletics as a "worthy" endeavor concerns me as we may or may not fall in that category with our adult recreational leagues. Our facility provides recreation for all members of the community, including adult male and female recreational leagues, youth leagues, and student access to the facility coordinated through the local schools. Because we are a small community and there is lack of facilities to host events, the facility is utilized by the public for various functions such as local organizations meetings, business presentations and family events such as celebrations. Our local Shriners use our kitchen rent free to generate funds for their own charitable causes. I can assure you in our organization there is no admin taking bloated salaries, no palace for office admin, just a decently maintained recreational facility that provides a gathering space for social gatherings and recreation during the winter for all ages in our small town. We are currently undertaking a nearly \$100,000 project to replace our ice plant which is over 30 years old. Killing our revenue stream from gaming mid project would close the Curling facility for good and leave the ND based refrigeration contractor we are contracted with hanging out to dry as trying to raise funds to complete this project in today's economy would be nearly impossible. The bill also takes aim at snowmobile clubs to maintain trails. This is also a mistake to squash as our local snowmobile club does a fantastic job of providing winter recreation to all ages. I can attest, my entire family and many of my friends have been utilizing these trails for decades. In my experience, our local charities, if the funds aren't fully utilized for trail maintenance or for the core operations of the charity in years of little snowfall they responsibly give back to the community by donating to many charitable things like local scholarships to students throughout the area. To keep people in small town ND we need more community recreation like this not less. I'm not sure of the aim of this bill. Non profit status and state reviews that are presently in place now should prevent abuse on its own. Local small town well managed charities filling local needs shouldn't get the boot while large publicly funded institutions running gaming like colleges can continue to expand at the expense of small town needs.

Sincerely,

Chris Bjorneby

Grafton Curlers Board Member and concerned Walsh County ND Citizen

Dear Representative,

My name is Thomas Grzadzieleski. I am president of the Drayton Curling Club in Drayton, ND which is the oldest Curling Club in ND established in 1901. I started curling in Drayton when I was 13 years old, I saw an open house flyer on the grocery store window, the club welcomed me and my friends with open arms and gave me an opportunity to pick up a lifelong sport. I am writing to you not only on behalf of our small organization, but also as a member of the community, to express my concerns with the Senate passing SB 2035 which would prohibit an organization such as ours from conducting charitable gaming.

The Drayton Curling Club is a non-profit organization that has spent the past 28 years taking care of children and families not only in our community, but our neighboring communities as well – all made possible through excess revenue received from gaming. In 2023 and 2024 we were able to donate approximately \$87,000. \$30,000 alone was given back to park districts for maintaining pools and playground equipment. \$5000 was given to backpack programs. Thousands have been donated to families during benefits to help cover medical expenses. We have been fortunate to be able to help cover the cost for our youth to be involved in extracurricular programs and been able to donate to prom fundraisers, Christmas giving trees and even a neighboring county's library. In our 28 years of donating, we have given over \$1,000,000 back to our surrounding communities.

Eliminating an organization such as ours will not limit gaming. Another organization will step in with no guarantee where those excess funds will be donated. Simply put, without gaming, our club and many organizations that depend on us for donations will not survive.

Many of you may not know, but curling is the state sport of North Dakota. Most recently, the Drayton Curling Club was able to host 5 teams, and their families, for the U14 (under 14) Dakota Territory State Championship. Youth events like these are happening all over the State of North Dakota. These events are costly and don't bring in a lot of revenue for any club, but through gaming, we are able to provide another recreational opportunity in our community and bring in individuals that otherwise wouldn't be here.

I would like to see amateur athletic/community recreation organizations that maintain recreation facilities that are open to the public and that share excess gaming revenue with other non-profit and charitable organizations in their communities included in the list of eligible public-spirited entities.

Thank you for your time and consideration in this matter.

Thomas Grzadzieleski
Drayton Curling Club
President

Testimony
To the
Education Committee
On
SB 2035

Good morning, Chairman Heinert and members of the education committee. My name is Sam Miller, and I am the Vice President of the Ridge Runners Snowmobile Club.

I am here today to testify on behalf of the Ridge Runners Snowmobile Club in opposition to SB2035.

Ridge Runners Snowmobile Club is based out of Fordville, a town of about 200 residents in northeast ND. We are a small town that does big things. Our club has 130 active members and was established over 30 years ago. We have utilized gaming for the last 25 years to raise money for the snowmobile trail system upon exhaustion of state funds. Gaming proceeds are used to maintain the trail system, and any remaining funds are donated back into local communities. None of the gaming funds financially benefit our officers or members.

Our youth are important to us; thus, they are the focus of our gaming fund donations:

- Every year we host a snowmobile ride for over 100 kids from all over the region
- We built a warming shelter for a local ice-skating rink, which has been used way more than any one of us expected
- We've donated to several local playgrounds
- We've sponsored field trips and after prom parties for school kids annually
- We've provided funds for kids' snowmobile, dirt bike and bicycle races
- Every year we give several scholarships to high school seniors
- We support local sports acceleration programs for our youth
- We have donated to daycares, the BIO Girls program and the local 4H County Fair

Our local youth depend on the Ridge Runners Snowmobile Club for financial support. There is no other avenue for these kids to obtain the necessary proceeds to promote these activities.

In addition, we also donate to:

- Four fire departments, four city parks, and EMS services on a quarterly basis
- Help local community members with large unexpected medical expenses
- Giving hearts day donation to hospitals and numerous other causes, too many to mention

Not only as a group of snowmobilers, but also as a group of school board members, volunteer fire fighters and EMS responders, we ask that you do not pass SB 2035. These gaming funds are critical to our rural communities. If snowmobile clubs are no longer able to utilize gaming, the future of so many of the previously mentioned activities would no longer be funded. For these reasons, please give SB 2035 a do not pass.

Thank you for your time. I am open to any questions.

SB2035 and the subject matter involved was unknown to many of us until we read about testimony provided on the Senate side, which was included in a ND Monitor article <https://northdakotamonitor.com/2025/01/13/north-dakota-lawmakers-work-to-refine-which-groups-can-conduct-charitable-gambling/>

Upon reading the article, it became clear that the curling clubs and snowmobile clubs in our NE region of ND would be placed in jeopardy if the proposed charitable gaming changes would become law.

Please consider the following points when this bill is before your committee.

- 1) The fiscal note attached to the bill makes it clear this change **will do nothing to limit the availability of gaming in ND.** The fiscal note asserts that other entities will fill the void.
- 2) Both curling and snowmobile clubs use their gaming funds to maintain their recreation facilities which are open to the public. The curling clubs host K-12 phy-ed programs, youth curling, family curling events, special community events and all are accessible to the public. Snowmobile trails maintained by clubs provide for safe snowmobiling for the public.
- 3) Excess gaming revenues not used on facility maintenance are passed on to other community non-profit and charitable organizations and scholarships.
- 4) In a state where curling is the recognized "State Sport", we shouldn't be harming their existence, especially in rural small towns where resources are limited.

Thank you for your consideration of my testimony.

My opinion is that the letters to the committee are really important. Testimony is especially important for the club leadership including those responsible for club finances, dispensing gaming revenue, and non-member users of the facility. Pictures of youth curling along with testimony from school teachers and parents will be especially helpful. The same goes for the snowmobile clubs. Youth using the trails, scholarship recipients, etc.

Sean Osowski
7124 159th Ave NE
Grafton, ND 58237
7013600770

SB2035:

I strongly encourage you to vote NO on this bill. It would be very detrimental to the hockey and ice-skating programs in Mercer and Oliver Counties. These programs do not get any tax monies to help fund them, without the gaming proceeds the North Stars Arena would be forced to shut down or charge exorbitant fees to those that want to use it to cover the costs.

Hazen Winter Sports conducts charitable gaming at a few locations within Mercer County. The profits from the gaming operation are used to fund the operation of the North Stars Arena and subsidize the hockey program that benefit 162 youth in our area. Registration fees and profits from the concessions stand and admission alone cannot come even close to operating the rink. Just to put things into perspective, the average operating costs are \$8K a month. That's just for basic utilities.

That doesn't include any salaries, hockey supplies, or any other perks our members get. For instance, free use of equipment, free skate sharpening, and free ice time when available. In addition, there is the summer camp re-imbursement program we have offered, Pixxellot streaming and Rapid Shot. FYI, Rapid shot yearly software subscription is \$5900.

In addition, we have donated to many organizations that benefit youth. Most recent donations were to Beulah Little People Preschool, Northern Lights Gymnastics, Hazen Post-Prom, Hazen Basketball, and the Shriners. Many Hockey organizations in the state utilize charitable gaming the same way that we do. We do not receive any taxpayer dollars.

Please vote No on SB2035.

Sincerely,

Cindy Aaser

Honorable Representatives,

My name is Leland Bratlie, a lifelong resident of Drayton, ND. I am a member of the Drayton Curling Club in Drayton, ND and have curled every winter for many years. The Drayton Curling Club was established in 1901 and is the oldest Curling Club in ND. Curling happens to be the state sport in North Dakota and enjoys a rich history in the state.

I am also on the board of directors of Drayton Curling Club Gaming and must testify in strong opposition of SB2035. Our non-profit organization has a small gaming operation at The Zoo Bar in Drayton. Some seem to mistakenly believe charitable gaming such as ours only benefits the sponsoring organization, in our case the Drayton Curling Club. In reality, nothing could be further from the truth. Several weeks ago we held a meeting to distribute funds to worthwhile organizations across Walsh and Pembina Counties. A \$1,000 grant was provided to CHI Friendship of Grafton, which works with the developmentally disabled in our communities. \$5,000 to the Pembina County Food Pantry in Cavalier, a much needed organization in our area providing food assistance to the needy in Pembina County, with donations being their only source of income. Another \$5,000 was donated to the Drayton Public School to replace an old worn stage curtain for the school drama club. Money was donated to the Cavalier 150th all school reunion, the Cavalier school after prom party, Giving Hope in Pembina County, as well as another \$1,000 to the NE ND Heritage Association. \$1,000 to a longtime resident and graduate of Drayton High School married with 2 small children, recently diagnosed with brain cancer. Last summer we made a \$5,000 donation to the Cavalier swimming pool to make needed repairs to the pool so the kids of that community could enjoy themselves on hot summer days. We donate money to the Drayton High School Trap Team to defray expenses so all kids regardless of financial means have the opportunity to participate. Every year we purchase and distribute parkas, hats, mittens and scarves to kids in need in both Drayton and surrounding communities. We have donated thousands of dollars over the years to area backpack programs, sending food home with kids in need of a nutritious meal. We have donated thousands more to area libraries, park boards, school districts, providing opportunities to youth with playground equipment and outdoor recreational equipment. During the past 28 years that we have conducted charitable

gaming we have donated slightly more than \$1,000,000 to worthwhile charities in Pembina and Walsh Counties.

If SB2035 were to pass in current form we would be prohibited from conducting charitable gaming and the worthwhile organizations we have supported over the years would lose that vital financial support. It would not eliminate, or even slow charitable gaming however. Another, most likely much larger organization will step in and take over. The proceeds will not stay local but will be sent somewhere else.

I respectfully ask you to not support this bill in present form as it will be disastrous for many small communities across the state.

Thank you for your time and consideration on this important matter,

Respectfully,

Leland Bratlie

Director, Drayton Curling Club Gaming

3/3/2025

To: ND House Education Committee

Re: In opposition to SB2035

Dear Education Committee Representatives,

My name is Agatha Frisby, and I am a constituent of District 20 writing to you regarding SB2035, which affects subsection 7 of the public-spirited section of ND Gaming law. As a board member of the Grafton Curling Club, I oppose this bill because it will negatively impact small community organizations that rely on gaming revenue.

Deleting some organizations that currently offer gaming will not impact limiting gaming. Even if some organizations do not get licensed due to this bill's clarification, other organizations will apply and will continue to pay gaming tax. In small, rural communities, organizations like curling clubs cannot survive on paid memberships alone and receive no tax revenue. Only a few small-town curling clubs remain in the state despite curling being the official state sport. The Grafton Curling Club is presently planning huge investments in machine infrastructure as our ice plant ages and replacement parts become obsolete. Gaming funds are the primary source of funding for such overhead investments, which are simply not feasible with membership fees alone. None of the gaming dollars benefit individual members of the Club.

The Grafton Curling Club would be significantly affected by this bill by no longer being able to maintain recreation facilities made available to the public (not only members) nor sponsor youth educational and recreational opportunities. Our Club recently hosted the Dakota Territory Curling Association's Club Playdowns and will host High School State Curling next year. At least two bonspiels are hosted at the Club annually, drawing in curlers from around the region. The Club also opens its doors each year for a week to the local schools' physical education classes. Additionally, I am presently in the process of restoring the Grafton Curling Club's youth program for next season, which will not be feasible without the adult men's and women's leagues at the Club. In addition to curling recreational activities, other local organizations rent the facility to hold meetings and functions within the Club facility throughout the year.

If our Club were to have to close its doors, at least three local jobs would be lost. The community would also lose a seasonal dining opportunity in a town with limited dining options. Twice weekly (and throughout special events), the Shriners operate out of the Club (open to the general public) and donate proceeds to a children's hospital.

Gaming revenue supports small community organizations like the Grafton Curling Club. Additionally, community non-profits and charitable organizations share excess gaming revenue through scholarships and local charitable donations. At a minimum, existing organizations that are structured around gaming revenue should be grandfathered investments, as the loss of this primary source of revenue would likely be fatal to small-town, rural organizations.

I urge you to vote No on SB2035. The loss of gaming funds will be detrimental to local organizations like the Grafton Curling Club and the larger community. Thank you for your time.

Sincerely,



Agatha Frisby
14212 62nd St. NE
Grafton, ND 58237

Written Testimony of Bill Tuttle
Before House Education Committee
In Opposition of SB 2035

Chairman Heinert and members of the House Education Committee.

My name is Bill Tuttle, I am a member of the Drayton Curling Club and serve as one of the members of its charitable gaming board. I have lived in the Drayton area most of my life. Serving as a volunteer AEMT on the Drayton Ambulance Service for the past 35 years I have seen firsthand the benefit of charitable gaming dollars within our small community.

Our club gaming committee meets a minimum of quarterly and since receiving our gaming license nearly 30 years ago has donate generously to several non-profit organizations, fire departments, ambulance, and youth organization within Pembina County. I see others from our club have offered extensive testimony on youth organizations and scholarships our club supports, so will leave it at that.

In listening to video testimony in the Senate I am unsure of what this SB 2035 is trying to do. If its gaming addiction with the introduction of video gaming this bill will not resolve that. Should we lose our gaming permit, some school booster club, or other “public spirited” group will come in from some other area in the state, reopen the site and money now leaves our community. The majority if not all the people I know are responsible gamblers. They set a limit and play for the enjoyment and chance of gambling. I wouldn’t even really have considered our curling club as an adult amateur athletic organization until I seen it in this Bill. I always thought of us as a family recreational organization doing good things within our community.

I believe with amendments and returning language of subsection 7 to read “Amateur athletic/community recreational organizations which maintain facilities that are open to the public and share excess revenue with other non-profit and chartable organizations within their communities.” I am sure the Senate interim committee put a lot of work into their Bill but closing gaming sites who do so much good within the community cannot be their intention.

As this Bill is written I am in opposition and would respectfully ask you oppose SB2035.

Thank you for your time and consideration of this matter,
Bill Tuttle,
306 E Mill Ave.
Drayton, ND 58225

Testimony to the Education Committee on SB 2035

Good morning, Chairman Heinert and members of the education committee. My name is Jessica Hermanson and I am the President of Drayton Gaming. I am here to testify on behalf of Drayton Gaming and the Drayton Curling Club in OPPOSITION to SB2035.

SB2035 leaves much uncertainty. We certainly qualify to continue as a charity under the language in the bill, as we are a nonprofit providing community recreation and youth activities, by the public using our curling facility and have additionally sponsored many worthy outside charitable causes over the years when funds allowed. What concerns me is the verbiage of omitting "in state adult amateur athletics as a "worthy" endeavor. We may or may not fall in that category with our adult recreational leagues.

The Drayton Curling Club provides recreation for all members of the community including a curling league that is comprised of youth, women and men, student access to the facility coordinated through the local schools, and various other community events. The Drayton Curling Club recently hosted the U14 Dakota Territory State Championship, that allowed the teams and their family utilize our club and to enjoy our community. These events are costly to host with very little revenue. It is possible to host events, such as this, because of the gaming. After all, Curling is the state sport!!!

I have been a member of the Drayton Curling Club since 1997. I was invited by a family friend to curl as a way to get to know people, as I was newly married and new to town. I have curled ever since. I was asked to sit on the gaming board as a representative of the women's club. I've watched the gaming board, over the past 25 years, evolve into a necessary nonprofit to the youth of our county. In those years, we've taken care of the children and families in our community but also our surrounding communities. The past couple of years we've donated \$87,000. A third of that (\$30,000) was donated to the local park boards in our and surrounding communities to maintain their pools and play ground equipment. Thousands have been given to the back pack program in Pembina county to feed the youth on the weekends, donations to the local proms, supporting sport camps so teams can go together and build camaraderie and gel as a team, the local food banks, LOAN - who help youth with clothing and school supplies, at no cost. I could go on for days on how important the gaming dollars are to our little communities. I am not sure what the aim is of this bill but the non-profit status and state reviews that are presently in place now should prevent abuse on its own. Local small town, well managed charities filling local needs for our youth, should not get the boot. To keep people in small town ND we need more community recreation activities, not less.

I would like to see amateur athletic/community recreation organizations that maintain recreation facilities that are open to the public, that share excess gaming revenue with other non-profit and charitable organizations in their communities, included in the list of eligible public - spirited entities.

Respectfully Submitted

Jessica Hermanson
Drayton Gaming President
Drayton Curling Club Member
Concerned Citizen of Pembina County

To whom it may concern:

The Grafton Curling Club has been open and operating for nearly 70 years in our small rural community. The fact that it is still in operation today, can almost solely be attributed to charitable gaming. Our facility provides recreation for members of the community, including adult male and female recreational leagues, youth leagues, and student access to the facility coordinated with local schools. Profits from charitable gaming have kept the membership cost down, in hopes of making the sport of curling more financially accessible. In the seventy years the curling club has been operational in Grafton, we have been able to fund many major structural building projects by charitable gaming profits, keeping the building in code and operational. Some of these projects include roof replacement, ceiling replacement and repairs, new flooring within the club and various repairs to the ice plant. However, as of today, our ice plant is past the point of repair and in need of replacement. This highlights another concern of ours, the language of limiting funds within the bill. This replacement, along with others we have already funded with charitable gaming profits, are so cost prohibitive that funding them would either not be possible and the club would no longer be operational or raise membership prices so high that it would be extremely cost prohibitive to most members. Additionally, our bar area has become one of the most used areas by outside organizations for various meetings, parties, dinners, etc. The restaurant area has been given to individuals who have used it to sell meals to fundraise for, most recently, the local Shriners. If our club is no longer financially solvent because we can no longer access charitable gaming profits, we would not only lose the sport of curling, but a building that has turned into a meeting space for many different organization in our community. It would create a large hole in our Grafton community, that already faces so many financial and economic challenges to keep businesses open and thriving.

Being able to use charitable gaming profits is vital to the club's operation and may be the only way to stay operating.

My concern with SB2035 is the wording and deciding where curling club recreation would be categorized. In the bill I would like to see wording added for "amateur athletic/community recreation organizations that maintain recreation facilities that are open to the public and that share excess gaming revenue with other non-profit and charitable organizations in their communities" be included in the list of eligible public spirited entities, to ensure curling clubs would be included under the bill. This not only affects our local curling club, but so many other North Dakota rural communities taking away another "something to do" in small towns. Under attack in this bill are also snowmobile and other clubs. I am part of our local snowmobile club and the give back to the community is very rewarding to be part of. In fact more than \$40,000 has been given back to the local community the last 2 years. We have done many youth and community events to try gain interests on the youth level and keep interests in the industry on the adult side.

In Conclusion I feel SB2035 is attacking some of the best organizations we have in small communities to keep our towns and recreation alive during some pretty difficult months of winter. These local small town well managed organizations are a vital part of the community and should be here to stay. Please help save the small town organizations and vote NO on SB2035.

If you have any questions please don't hesitate to call or email.

Nate Tallackson (701)360-1550 ntallack56@hotmail.com

Written Testimony of Tom Halcrow

In opposition to SB 2035

My name is Tom Halcrow, I am a curler, a curling instructor for both youth and adults and board member on both the Drayton Gaming and Drayton Curling Club boards. I am writing this testimony in opposition to SB 2035 as it is currently written.

Drayton is a small community (750 residents) not unlike any other small, rural community in North Dakota. We have a yearly city festival, football games, baseball games in the park, golf tournaments, swimming at the city pool and various other community involved and public-spirited events. That sounds to me like nice, small town North Dakota life. That's the life that I grew up with and that's the life I intend to continue to provide for the youth of today and tomorrow. Drayton Gaming has made all of those past times possible and many more through generous donations since 1986; over \$1,000,000 to be exact. Whether it be funding for the city pool and park, donations to the volunteer ambulance and fire department or monetary gifts to the school and scholarships; Drayton Gaming has had a hand in keeping rural North Dakota life great for nearly 30 years.

Our city isn't the only community receiving funding from Drayton Gaming. Pembina County as a whole benefit from requests for funding from Drayton Gaming; from the "Backpacks for Kids Program" to a renovated HVAC system in the Pembina County Nursing Home; the funds generated by gaming have had a positive effect on all ages and in all surrounding communities.

I am obligated, as a participant in the state sport (curling), lifelong North Dakota citizen, a member of North Dakota's oldest Curling Club and steward of funds generated by gaming to request that SB2035 be amended to include curling clubs and snowmobile clubs. Both of these types of clubs are community run and family involved requiring funding from gaming to ensure a future for all. Those of us representing our respected clubs and gaming institutions are very diligent to return funds to our surrounding community's needs.

Thank you for your time and consideration,

Promoting the lifetime sport of curling with an open-door policy to all,

Sincerely,

Tom Halcrow



Like



Comment



Send



Caitlin Hoff is with **Rachel Workin** and **Kalvin Hoff**.



4m ·

Dakota Territory U14 State Curling in Drayton this past weekend! Team Hoff ended as co-runners up! All the teams played tough and Drayton Curling Club was a fantastic host! Thanks to Rachel Workin for being a great coach!



Tom Grzadzieleski



Love



Comment



Send



**Minot Curling Club**

2h · 🌐



Our U14 boys team finished out their first bonspiel in Drayton this morning. Can't wait to see how they do in Devil's Lake with their High School state team.

Nice work Team Bale - you represented Minot well. Thank you Drayton Curling Club for being wonderful hosts! It takes a village.



Dear Representative,

This letter is to respectfully request that you do NOT support **SB 2035 – relating to the definitions of an educational organization and public-spirited organization** that has recently been submitted to your Committee that excludes snowmobile clubs from this description.

The Turtle River Rough Riders' Snowmobile Club was established in 1969 to promote safe snowmobile trails. For the past seventeen years we have maintained a single gaming site in Manvel to produce revenue to further that cause. Our funds contribute to maintaining trails on the ND trail system after the state funds for the year have been exhausted. In addition to providing a safe riding trail system, our efforts assist in promoting ND tourism during the winter months.

Remaining monies from our gaming income are donated in and around the Manvel Community. ***None of our funds provide a direct benefit to our officers and members.*** Annual donations include the following:

Manvel School Wolfridge Fund and Playground Equipment Fund, Manvel Parks, Jason Stadstad Youth Boosters, Manvel Fire Department, Manvel Historical Society Museum, the Manvel American Legion and SAL, and the Manvel Community Center.

We have also made numerous donations to other charities in the region including the Sunshine House and the Veterans Memorial Park in Grand Forks.

Removing the public-spirited organization definition for snowmobile clubs for designation as a non-profit would have an extremely detrimental impact on the Manvel Community as a whole. Many local causes depend on our annual donations derived from our gaming site activities.

Thank you for your consideration to this issue.

Respectfully,

Cathie Mesheski

605 12th Street

Manvel, ND 58256

701-741-6189

WRITTEN TESTIMONY OF MONA KAY DIETRICH
BEFORE HOUSE EDUCATION COMMITTEE
IN OPPOSITION OF BILL SB 2035

Chairman Heinert and members of the House Education Committee:

My name is Mona Kay Dietrich and I am the present gaming manager for Drayton Curling Club. I have worked in the gaming industry for 30 years at various levels from blackjack dealer, pull tab device, electronic pull tab device and jar operator, site manager to my present position. In the years that I have been involved in the industry, I have not seen irresponsible gambling, it is entertainment for the players and the majority of the players know that the excess revenue generated will benefit the community and surrounding areas through our charitable donations.

Our gaming board is made up of members of the Drayton Curling Club, the oldest curling club in the state of North Dakota, and we meet quarterly to disburse funds per the requests that we receive. Those requests come from our community and across our county and they vary from \$500 to as high as \$10000. Every request is discussed and a monetary amount is approved by the board.

There are organizations across our county that depend upon our charitable donation in order to continue to serve, ie: county backpack program, Christmas Angel tree, LOAN which provides winter gear for children and the county emergency food pantry.

Our charitable donations benefit our community and our county as we have given to fire departments, ambulance services, schools, youth activities and to families that are dealing with medical issues as well as many other organizations.

If SB2035 were to pass in its current form, we would no longer be able to conduct charitable gaming and these vital organizations would lose the financial support that they need to survive.

I do not believe the passage of this bill in its present form will change or slow down charitable gaming. Our gaming site will be taken over by another, most likely larger, not local organization and the excess revenue generated will no longer benefit our community and surrounding area.

I am in opposition of SB2035 as it is written and I respectfully ask you to oppose this bill as it will dramatically hurt small communities across our state.

Respectfully submitted,
Mona Kay Dietrich
Gaming Manager
Drayton Curling Club

March 3, 2025

SB 2035

House Education Committee

Subject: Vote NO on Senate Bill 2035-PROTECT WILLISTON'S GROWTH AND TOURISM

I am writing to urge you to vote NO on SENATE BILL 2035, which would negatively impact Williston and communities across North Dakota by limiting funding for critical tourism-driven projects. While the Senate passed the bill 27-20, I STRONGLY encourage you to consider the long-term consequences of this bill as it moves to the House Education Committee on March 5 at 9:30 AM.

As you all know, charitable gaming revenue plays a vital role in funding tourism and economic development projects in communities like Williston. The removal of "tourism" from the language defining public-spirited organizations raises serious concerns about future funding eligibility, stability, and the ability of organizations like our Convention and Visitors Bureau (CVB) to continue their work.

This matters to Williston and North Dakota. Williston is home to some of the most successful and well-run events in the state, thanks in large part to the funding provided by charitable gaming. Our CVB has granted thousands of dollars to support major community projects that bring people to our city.

This includes the Coyote Clay Target League (USA Clay Target League) which I started in 2018 with 34 athletes. We then had to relocate our range in 2020 due to the growth of the city. We relocated to property that had no trap range, so we had to build from the ground up. We currently are the largest league in the Nation and have over 150 athletes shooting both high school and college, we have brought state and national recognition to our town as we were the College National Champions and placed third in the Nation in 2024!

I mention this because a great deal of funding to build this premier range consisting of a beautiful clubhouse, 11 trap houses and 4 skeet fields, came from the CVB and their gaming funds. Their funding gave us the boost to put us on target with our construction and all of this took place in just two years! I am struggling to try figure out who would want to impede our progress and the progress of our town by voting for this bill?

Our facility attracts athletes and others from Ray, Tioga, Watford City, Alexander, Trenton and even Crane, Montana. All of them come several times a week in spring, fall and summer to shoot on our range. Our league will continue to bring people to our town with tournaments, league and benefit shoots to help promote Williston.

Williston has hosted several Babe Ruth World Series in the past. We have another one coming up in 2026. We are recognized as one of the best host cities in the nation, which is why we are invited to host the event almost every four years. Again, the CVB has played a major role in bringing this to Williston which draws thousands of people for the week long tournament. This is a huge event to show people across the country what a great community Williston is and how passionate we are about everything we do.

The CVB has helped our Hockey club, basketball and baseball programs, our shooting sports, as well as the ND Rodeo shoots, all of which bring visitors to our town and generate business for local hotels, restaurants and shops.

These events don't happen without dedicated funding and local investment. Without reliable tourism funding, Long-term planning for events and infrastructure projects will become uncertain, hurting Williston's ability to compete with other cities across the state and region. It already is difficult for Williston to draw people from other parts of the state because of our location.

North Dakota has thrived because of the Bakken and oil industry in our area. Gaming funds generate a substantial amount of money that is reinvested directly into our communities. Senate Bill 2035 could limit the ability for the CVB to operate gaming of which these funds are generated and which would restrict our ability to use them where they are needed most. These community organizations knows where the money is needed---and they have proven that with what they have done already to enhance the quality of life.

I urge you all to please vote NO on Senate Bill 2035.

Please stand with Williston and other cities across the state by preserving funding that strengthens our economy and tourism industry.

Penny Lee Slagle

Head Coach/President

Coyote Clay Target League

WSC Teton Clay Target League

3021 13th Ave East

Williston ND 58801

701-770-0606

Testimony in Opposition to Senate Bill 2035

My name is Joe Barsh. I am the Executive Director of the Williston Parks & Recreation District and President of the North Dakota Recreation and Parks Association. I submit this testimony in strong opposition to Senate Bill 2035, which seeks to redefine "educational organizations" and "public-spirited organizations" impacting eligibility for charitable gaming. This bill jeopardizes vital funding streams crucial for enhancing community quality of life in Williston and across North Dakota.

Impact of SB 2035 on Williston

The Williston Parks & Recreation District (WPRD) and the Williston Convention & Visitors Bureau (CVB) rely significantly on charitable gaming revenue to support essential programs, events, and capital projects. These funds are instrumental in improving the quality of life for Williston residents and driving positive economic impact. A collaborative partnership between the WPRD and CVB leverages these funds to provide necessary resources for community organizations, fostering exceptional events and enriching our community. These partnerships benefit both residents and visitors alike. The current legislative framework governing charitable gaming effectively serves the best interests of our community. SB 2035 threatens this established and successful system.

Examples of Funding Impact

The elimination of "Tourism and Economic Development" from the definition of eligible organizations severely undermines the CVB's ability to secure funding and jeopardize existing projects and future initiatives.

Examples of programs significantly impacted include:

- **Ballin' in the Basin:** This annual youth basketball tournament attracts 80-100 teams twice yearly, injecting significant economic activity into Williston. Annual support from gaming funds exceeds \$5,000 per event.
- **Youth State Hockey Tournaments:** These tournaments attract teams and spectators, generating revenue for local businesses and bolstering community spirit.
- **Legion/Babe Ruth Summer Invitationals:** These events bring teams and families to Williston, contributing significantly to the local economy.
- **Babe Ruth World Series Tournaments:** Williston has hosted four World Series tournaments since 2003, with another scheduled for 2027. The gaming contribution to these tournaments represents a \$50,000 pledge for each event.

Conclusion

The removal of "Tourism and Economic Development" from the definition of eligible organizations creates uncertainty regarding future funding and directly impacts the WPRD's and CVB's ability to provide crucial community services and support economic development. This legislation threatens to severely limit funding for major community projects and events, hindering long-term planning and investment in Williston's growth.

I urge a "DO NOT PASS" vote on Senate Bill 2035 to protect vital funding streams that enhance the quality of life and economic vitality of our community. Thank you for your time and consideration.

Sincerely,

Joe Barsh

Executive Director, Williston Parks & Recreation District

President, North Dakota Recreation and Parks Association



January 13, 2025

SB 2035

House Education Committee

Chairman and members of the House Education Committee:

I am Amy Krueger, Executive Director of the Williston Convention and Visitor Bureau, Inc., a charitable gaming organization. We fall within the language that is proposed to be stricken in this proposed bill, and while I understand the intent is that we would still be within the new definition, it leaves no assurances that it will be interpreted the same in the future.

The Williston Convention and Visitor Bureau, Inc. has been operating gaming for 28 years. We currently have 8 sites, at least 6 of these site locations have been with our organization for over 15 years. These are not sites that we have just acquired in the peak of good times. Many of these may have changed ownership, gone through different phases of development but we have been able to maintain the locations through it all. We currently have 16 gaming employees. We do not own any sites.

In 2024 Williston CVB Charitable Gaming was able to directly support 19 different organizations with grant dollars totaling \$402,910. In the last 5 years we have supported about 50 different community organizations, giving over 1.3 million dollars in grants. A few examples of how these funds are being used are to support youth sporting tournaments, community events, capital projects such as turf fields, trap range development, and historic building projects. These directly impact the groups involved hosting the events and maintaining these facilities, but indirectly it has also benefited so many local business owners of restaurants, shops, hotels, gas stations and others with the customers the events and attractions have brought to the area. This bill would not just negatively affect one organization.

I kindly ask for a Do Not Pass on SB 2035.

Sincerely,

Amy Krueger

Amy Krueger, Executive Director



**Bismarck-Mandan
Convention & Visitors Bureau**
1600 Burnt Boat Drive
Bismarck, ND 58503
701-222-4308

SENATE BILL NO. 2035
HOUSE EDUCATION COMMITTEE
PAT HEINERT, CHAIR
TESTIMONY IN OPPOSITION OF SENATE BILL NO. 2035

Chairman Heinert and members of the House Education Committee. I am Sheri Grossman, and it is my privilege to be the CEO for the Bismarck-Mandan Convention & Visitors Bureau. I appear on behalf of the CVB in opposition to Senate Bill 2035 in its current form.

We are not new to gaming and have been conducting gaming since 1993. At that time, the legislators passed legislation to include Convention & Visitors Bureaus as a public-spirited organization for charitable gaming. We were always included in the original intent. We are not a part of the issues caused by the recent surge in gaming and have been conducting gaming for over three decades. We only have five sites and removing us from gaming would not do anything to change the expansion of gaming, but would have a devastating effect on our organization and the benefits we provide for our communities. In fact, there would not be any reduction in gaming. Securing gaming sites, including those we have had for many years, is highly competitive and our sites would immediately go to another organization. There are only three CVB's in North Dakota that conduct gaming. We are a very small part of the overall gaming community.

Our gaming funds are not spent to benefit just one group. Instead, our mission and work benefit the entire communities of Bismarck and Mandan. Our gaming funds are used to bring more people to Bismarck-Mandan to spend money in our restaurants, hotels and stores, and visit our attractions, and to showcase our communities to others who might want to live here. These visitors generate huge sales tax revenues which have been used by local governments to fix roads, give property tax relief and more.

Specific uses of gaming funds include:

- The CVB paid \$500,000 to the Riverfront Festival Grounds for the matching Destination Development grant program appropriated by the legislature last session.
- Grant program supporting new meetings and events such as recreational, artistic or cultural events partnerships.
- Providing financial assistance and other complimentary services to established meetings, conventions, sports and events.

- A comprehensive marketing campaign promoting Bismarck-Mandan to meetings and event planners, as well as leisure travelers. Our leisure campaign alone resulted in almost 98,000 trackable visits to Bismarck-Mandan in 2024.

Last year, we assisted 308 multiple-day meetings and events that drew 275,000 attendees, who spent \$29.6 million dollars while in our community. That is a significant return on investment, largely relying on charitable gaming proceeds.

Our gaming funds account for nearly half of our annual budget, or approximately \$900,000. Without this current and continued source of income the Convention and Visitors Bureau will be unable to provide most of the local benefits on our communities at large, such as helping fund the Riverfront Festival Grounds, or financially supporting Bismarck's 4th of July fireworks, Mandan Rodeo Days, or Mandan Holiday Lights, United Tribes Technical College's International PowWow and McQuade's Charity Softball Tournament (which is the USA's largest charity softball tournament and distributes all proceeds to charities), to name a few. It is important that we can financially continue this work.

We respectfully ask that Convention and Visitors Bureaus be allowed to continue conducting charitable gaming that has been authorized for over three decades. Removing this funding mechanism would have a devastating effect on our communities. It would be impossible to replace this lost revenue.

In its current form, the language of Senate Bill 2035 is unclear as to whether CVB's can continue gaming operations. While the Attorney General's Office has given assurances in its previous testimony that this bill would not prevent us from conducting gaming, we respectfully ask for a do not pass recommendation on Senate Bill 2035 in its current form. If the AG's interpretation changes in the future, we believe the current language in the bill will not provide clear guidance on this issue. Such uncertainty could lead to lawsuits or CVBs eventually losing their gaming licenses. Since that does not appear to be the intent of this bill, we are proposing an Amendment that would remove all uncertainty and make clear that CVB's are still authorized to conduct gaming in North Dakota.

We have passed out our proposed Amendment and it is also attached to my testimony that was submitted online. Should the House Education Committee adopt the Bismarck-Mandan CVB's amendment, we would be in favor of the proposed legislation.

With that, I would like to thank you for your time and consideration, and I would be pleased to try and answer any questions.

/s/ Sheri Grossman



SENATE BILL NO. 2035

Introduced by

Legislative Management

(Judiciary Committee)

A BILL for an Act to amend and reenact subsections 7 and 21 of section 53-06.1-01, subdivision a of subsection 1 of section 53-06.1-03, subsection 2 of section 53-06.1-10.1, and subdivision c of subsection 2 of section 53-06.1-11.1 of the North Dakota Century Code, relating to the definitions of an educational organization and public-spirited organization, and raffles; and to provide for application.

BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:

SECTION 1. AMENDMENT. Subsections 7 and 21 of section 53-06.1-01 of the North Dakota Century Code are amended and reenacted as follows:

7. "Educational organization" means a nonprofit public or private elementary or secondary school, two-year or four-year college, or university. The term includes a collegiate athletic organization and an educational public service organization when providing educational activities.
21. "Public-spirited organization" means an organization ~~whose~~the primary purpose of which is for scientific research, ~~amateur sports competition,~~ safety, ~~literary literature,~~ arts, preservation of cultural heritage, ~~educational activities, educational public service,~~ youth, ~~economic development, tourism,~~ community medical care, community recreation, or designated convention and visitors bureau, or similar organization, ~~which does not meet the definition of any other type of eligible organization. However, a nonprofit organization or a group of people recognized as a public-spirited organization by a governing body of a city or county for obtaining a permit does not need to meet this definition~~any other organization, or group recognized by a governing body of a city or county, organized and operated not for pecuniary profit or gain but for the primary purpose of improving or alleviating a condition of public concern within the state or conferring a direct benefit on the community at large. The term does not

1 include a nonprofit club, association, or organization, the primary purpose of which is
2 to provide a direct benefit to its officers or members.

3 **SECTION 2. AMENDMENT.** Subdivision a of subsection 1 of section 53-06.1-03 of the 4 North
4 Dakota Century Code is amended and reenacted as follows:

- 5 a. ~~An organization recognized as a~~ A public-spirited organization or group
6 recognized by the governing body of a city or county may apply for permits. A
7 local permit may allow the organization to conduct only raffles, bingo, or sports
8 pools. A restricted event permit may allow the organization to conduct only raffles,
9 bingo, sports pools, paddlewheels, twenty-one, and poker. The organization or
10 closely related organizations as a whole may only award a primary prize that
11 does not exceed eight thousand dollars and total prizes of all games do not
12 exceed forty thousand dollars per year. These maximum prize amounts do not
13 apply to raffles conducted under chapter 20.1-08. ~~The determination of what is a~~
14 ~~"public-spirited organization" is within the sole discretion of the governing body.~~
15 An organization shall disclose on the application its intended use of the net
16 income from the gaming activity. A governing body may issue a permit for games
17 to be held at designated times and places.

18 **SECTION 3. AMENDMENT.** Subsection 2 of section 53-06.1-10.1 of the North Dakota 19
19 Century Code is amended and reenacted as follows:

- 20 2. The maximum cash prize limits of this section do not apply to ~~a public-spirited~~ 21
21 educational organization that supports amateur collegiate athletics.

22 **SECTION 4. AMENDMENT.** Subdivision c of subsection 2 of section 53-06.1-11.1 of the 23
23 North Dakota Century Code is amended and reenacted as follows:

- 24 c. Uses benefiting an indefinite number of persons by bringing them under the 25
25 influence of education, cultural programs, or religion which include disbursements
26 to provide:
- 27 (1) Scholarships for students, if the disbursement is deposited in a scholarship 28
28 fund for defraying the cost of education to students and the scholarships are 29
29 awarded through an open and fair selection process.
- 30 (2) Supplementary assistance to a public or private nonprofit educational 31
31 institution registered with or accredited by any state.

Sixty-ninth
Legislative Assembly

(3) Assistance to libraries and museums.

(4) Assistance for the performing arts and humanities.

(5) Preservation of cultural heritage.

(6) Youth community, and social welfare, ~~and athletic~~ activities.

(7) ~~Adult amateur athletic activities within the state, including team uniforms and equipment.~~

~~(8)~~—Maintenance of places of public worship or support of a body of 8 communicants, gathered in common membership for mutual support and edification in piety, worship, or religious observances.

~~(9)~~(8) Scientific research.

SECTION 5. APPLICATION. This Act applies to an eligible organization applying for or renewing a license after the effective date of this Act.

In Opposition to SB 2035

House Education Committee

Chairman Heinert

Submitted by Bill Kalanek, CGAND

March 5th, 2025

Chairman Heinert & Committee Members,

The Charitable Gaming Association of ND (CGAND) stands in opposition to SB 2035 as written. This bill is an attempt to clarify and restrict charitable gaming operations to specific non-profit organizations, however, has unintended consequences for current charitable gaming operators.

The bill's wording is highly subjective and open to various interpretations as administrations and employees change. It removes amateur sports competition, economic development, and tourism from the definition of "public spirited organization," making them ineligible to conduct charitable gaming. This includes CVBs and valuable rural economic development groups funding local activities.

This bill eliminates the wording "athletic" regarding youth activities and could potentially have a negative impact on local youth sports organizations, solely relying on interpretation.

Furthermore, the bill lacks a grandfather clause for those affected organizations currently operating charitable gaming legally. The bill states, "This Act applies to an eligible organization applying for or renewing a license after the effective date of this Act." However, all gaming organizations apply for licensing every June; there is no actual "renewal."

It is poor policy to allow a bill so loosely worded, as it could lead to multiple interpretations in the future. This bill is deeply flawed and CGAND urges a **Do Not Pass on SB 2035.**

February 11, 2025

To Whom It May Concern:

The Grafton Curling Club has provided their facilities to us free of charge for the last twelve years for fundraising first for Relay for Life for first five years and now for past seven years we have raised funds to donate to the Women's General Auxiliary of Shriners Children's of the Twin Cities, We donate the funds through the local Grafton Shrine Club-The Cycleers. The Women's Auxiliary provide wheelchairs and other needs for Shrine patients.

The Grafton Curling Club even replaced the Commercial Fridge/Freeze when it died, plus gave us a donation to help us replace our supplies.

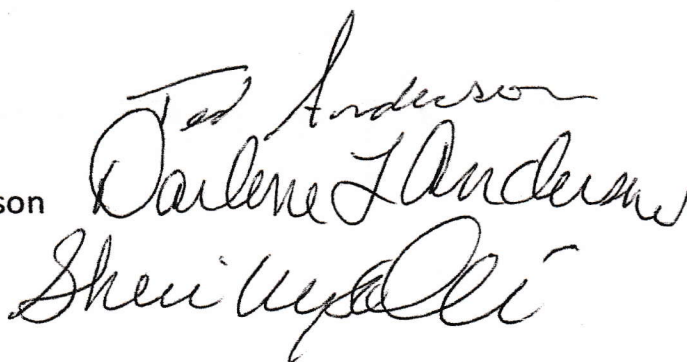
We do burger concessions two nights a week during the curling season, plus during bonspiels.

Please allow them to do their fundraising to keep the curling club going and in turn allowing us to continue to raise funds to benefit Shrine Patients. Plus the Curling Club is a big asset to the town of Grafton.

Ted Anderson

Darlene Anderson

Sheri Wysocki

The block contains three handwritten signatures in cursive script. The first signature is 'Ted Anderson', the second is 'Darlene Anderson', and the third is 'Sheri Wysocki'. These signatures are positioned to the right of their respective printed names.

Chairperson Heinert, Vice Chairperson Schreiber-Beck, and all members of the N.D. House Education Committee,

My name is Jennifer Lindenberger and I am from Minto, ND. I am testifying regarding SB2035 and am in opposition to this bill.

I have been a member of the Grafton Curling Club for almost 30 years and am currently the treasurer of the club. Over those 30 years, I have watched our club be able to offer both youth and adults in Grafton and the surrounding communities the opportunity to join a sport that they can compete in for their lifetime. Not only is it an outlet for physical activity during the frigid winter months, it's also an opportunity to meet and make lifetime friends.

Although our club's nonprofit charitable status would qualify under the proposed language, it is genuinely concerning that recreation clubs such as ours could be in jeopardy. Our club has a long history of promoting youth curling not only by offering youth lessons, but we host several high school physical education programs in bringing students to the club to try curling and we have helped several youth and junior teams compete at state, regional, national and international levels. I know I would not have been able to attend junior nationals or international curling camps without the support the gaming provided the club. We also provide all the equipment needed for anyone to try our sport such as sliders, brooms and delivery devices. With our gaming funds, all the equipment, use of the facility and members to help teach are provided at NO COST.

Trying to limit the availability of recreational clubs to those in rural communities such as ours would only add to the issues we face in trying to build our community. Beyond recreation, our facility provides another place for hosting events, meetings, and parties. Hosting spaces are extremely limited in Grafton. Currently, we offer our kitchen facilities free of charge to our local Shriners to use. They cook on two league nights and all the proceeds they bring in go towards the purchase of medical equipment for children.

As you can see, the funds we raise from our gaming are put back into our club's building maintenance, the community, local youth, and local charities. Our board members are all club volunteers who only want to see the club and its traditions continue in the community.

In 2023, curling was adopted as the North Dakota state sport. I certainly hope our legislators are trying to promote our state sport and not hinder it. Although not all clubs in the state have charitable gaming, it is the only thing keeping the small-town clubs open as a large majority have had to close in the past few years due to lack of funds to keep the facility operational. The cost of operating a curling club is a large expense. The cooling equipment, utilities, and repairs add up quickly each year. And for example, our current ice-making equipment has reached the end of its useful life after 30-40 years. We are looking at a minimum of \$100,000+ to try and replace parts of the plant to keep it operational. Without our gaming funds, this would not be a possibility. And to try and raise the funds given the current economy would be impossible and the club would likely have to close its doors. If we were to close, it would have an impact on the local economy. Just this past January we hosted the Dakota Territory Regional Club Playdowns. We hosted 19 teams from across North Dakota and South Dakota for 4 days. That's over 80 competitors plus spectators that travelled with them to Grafton. They stayed in hotel rooms not only in Grafton, but Park River and Grand Forks. They patronized our local eating establishments, shopped at our local stores, and

purchased gas and other items from our local gas stations. Our local Shriners offered food at the club and all those proceeds went to medical equipment for needy youth. Being a member in the Dakota Territory Curling Association puts us in a rotation to host a regional/state playdown event each year as long as we maintain our facility.

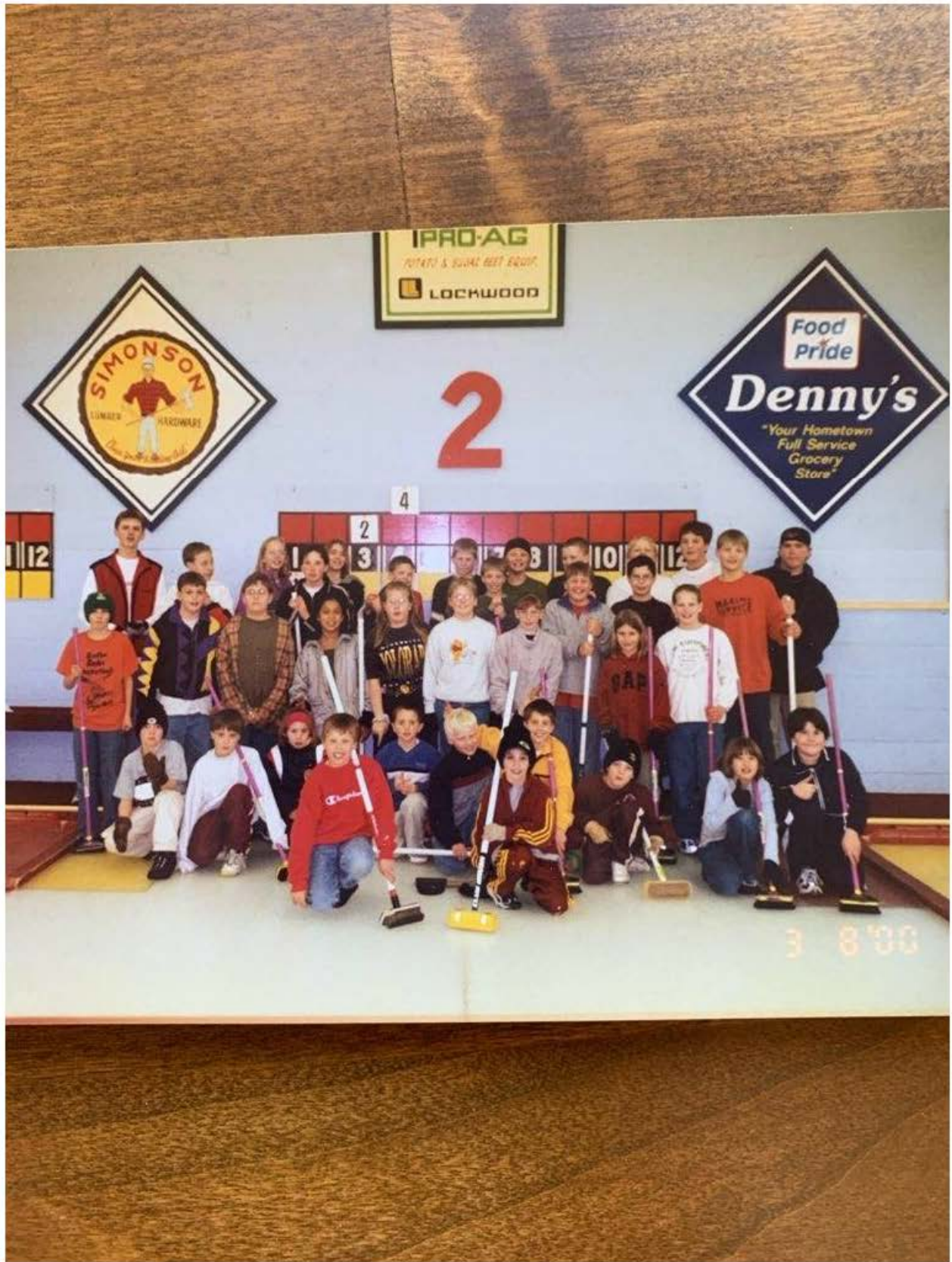
I would like to see any community recreation clubs/organizations that maintain their facilities as open to the public and share their excess gaming revenues with other charitable organizations in their local community be included in the list of eligible public-spirited entities.

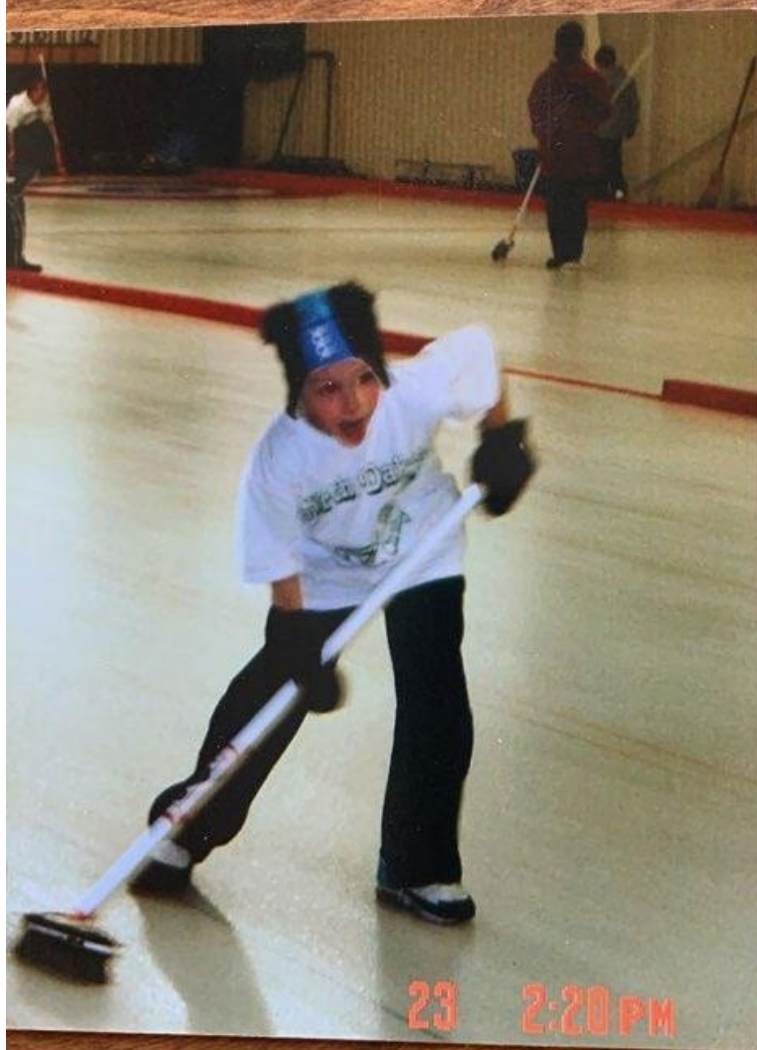
I've also included some pictures of youth and others that have come to our club to learn about curling.

Sincerely,
Jennifer Lindenberger
Grafton Curling Club













Benefiting North Dakota Communities through Charitable Gaming

March 5, 2025

Testimony in OPPOSITION of Senate Bill 2035

Chairman Heinert and Members of the House Education Committee:

I'm Scott Meske, representing the North Dakota Gaming Alliance and on behalf of the Members of the NDGA, we stand in opposition to Senate Bill 2035.

ND Gaming Alliance represents all facets of the charitable gaming industry. Veteran and Fraternal Organizations, Charities, Hospitality, Manufacturers, and Distributors. When charitable gaming was authorized by the State, the intent was to benefit the *charities and nonprofits* in our local communities. In the 2023-25 biennium it is estimated that more than \$180 million will be disbursed into North Dakota's community causes because of charitable gaming proceeds. That revenue, injected directly into our communities, offsets the need to rely on other sources of income including property taxes, to meet the charity's stated mission and benefits North Dakota citizens and communities.

I want to share with you just a few things that charities have done recently. It seems as if most of the media coverage of gaming only concentrates on the very small percentage of violations that occur in the industry. I want to share with you some of the good things charitable gaming has done in some of our communities – most of these stories never get told. The Aggie Foundation in Velva provided free lunches for school children in the city of Granville for the entire school year which otherwise would have been funded by taxes. Mandan Baseball donated \$4.9 million of a \$5.1 million renovation to the Mandan youth baseball complex which would have been funded by property taxes. The other \$200K was covered by the Mandan Park District. MatPac in Bismarck here gave \$500K to the Bismarck State College Bavendick Center which also would have been funded by taxes. In the city of Rolla, their American Legion tragically burned down. The charity Revitalize Rolla was able to donate \$50K to pay for furnishings and kitchen equipment. At the time, the Legion had exhausted all other fundraising options and Revitalize



Benefiting North Dakota Communities through Charitable Gaming

Rolla was able to use their gaming trust funds to help complete the project. Not only did this help rebuild the only building that the community had to use for community events, it also restored a facility that honored our veterans. These are just a very few examples of the incredible things that charities are doing for their communities.

During the interim, the Committee heard from many stakeholders from the charitable gaming industry, as the committee went through their study topics. While we recognize some attempts to limit, restrict, roll back charitable gaming in North Dakota, we believe this bill is another attempt to circumvent the intent of the State Constitution, and re-define who can and who cannot participate in charitable gaming. Instead of determining who can or cannot conduct charitable gaming, let's work together to determine how those proceeds are being spent. However by taking away the ability of some charities to conduct gaming solely based on the name of the organization is short-sighted in our opinion. We ask you to please keep in mind that the charities under consideration to have their gaming abilities removed by this legislation, got into charitable gaming legally under the law that was in place at that time. They were given permission to do so by both local jurisdictions and state government. Without a grandfather clause, and clearer definitions which would protect those investments they made, we cannot support this bill.

Is every nonprofit a charity? No. Is every charity a nonprofit? By definition? YES!

Mr. Chairman and Members of the Committee, you will have several bills before you this session that while on the surface look reasonable in their intent, yet when applied in blanket fashion across the state merely hinder those charities who work to improve our communities, those organizations this activity supports. This was proven during the 2023 session with SB 2304. The legislative intent of a portion of that bill dealing with site authorizations is not being interpreted as to what the intent of the legislature was. We just wanted to point that out because it happens, and that is what our main concern is with SB 2035. Intent vs. interpretation.



Benefiting North Dakota Communities through Charitable Gaming

Specifically, Page 1 Line 24 – the term “nonprofit club, association or organization, the primary purpose of which is to provide a direct benefit to its officers or members.” Doesn’t the Legion or VFW provide direct benefit to their members by way of programs and services?

Page 3 Line 4. Removal of the words “and athletic”. There are at least 57 youth sports organizations currently licensed to conduct charitable gaming. Does removing the word “athletic” put them in jeopardy? Intent versus Interpretation.

Finally, it seems like there has been a target on the back of the three Convention and Visitors Bureaus that are licensed. I would argue that these organizations, along with about 20 other community development licensees, should get our support. Because we know what they do with their gaming proceeds. Directly investing in their communities, drawing visitors and and business investments to help grow their cities. This legislation is a too vague, and leaves too much for interpretation. Intent vs. Interpretation.

The North Dakota Gaming Alliance respectfully asks that you reject SB 2035 and give the bill a DO NOT PASS recommendation from this Committee.

Thank you.



13 E Divide Ave
PO Box 1143
Bowman, ND 58623
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bowmannd.com

**Testimony of Teran Doerr
Bowman County Development Corporation
Opposition to SB 2035
March 5, 2025**

I am submitting this testimony in opposition to SB 2035, as it creates unnecessary uncertainty for organizations like ours, which have a long history of responsibly using charitable gaming funds to benefit rural communities.

My name is Teran Doerr, and I am the Executive Director of the Bowman County Development Corporation. For over 25 years, our organization has utilized charitable gaming funds to improve quality of life in our community, funding initiatives that provide childcare, workforce training, historic preservation, emergency services, and community development projects that impact our rural residents.

SB 2035 raises a critical question: If charitable gaming dollars are meant to support communities, why would we exclude organizations that directly facilitate quality of life and community health, especially in small towns where economic development organizations are often the only resource available?

After reviewing the list of licensed gaming organizations, every organization in the category of community and economic development serves a population of under 2,000. I believe it would be safe to assume that the majority of these organizations are not using the funds for large-scale development projects; they are investing in vital community programs that ensure small towns remain viable.

Our work falls squarely within the intent of the law. According to North Dakota Century Code (53-06.1-01.21), economic development and tourism organizations are already classified as public-spirited organizations, meaning they qualify under current law. The same statute also recognizes that net proceeds from gaming funds can legally be used for:

- Economic development programs that improve quality of life.
- Tourism development within a city, county, or state.
- Community service projects supporting education, housing, transportation, recreation, safety, and health.

Removing these organizations from eligibility disrupts funding for rural communities that depend on these programs.

Our office operates with strict financial responsibility and a commitment to maximizing community impact. We keep expenses to just 41% of total gaming revenue, ensuring that the majority of funds

directly support charitable causes. This level of transparency and financial stewardship is what allows us to distribute resources equitably and ensure long-term sustainability for our community initiatives.

In Bowman County, we use these funds to support childcare, emergency response, veterans' services, and community revitalization, initiatives that make a real, measurable impact in the lives of residents.

Additionally, our Play It Forward Fund has been a transformative initiative. Designed to maximize the impact of charitable gaming funds, this grant program directly empowers local charities, non-profits, and community organizations to address pressing community needs. Overseen by a subcommittee of engaged community members, the Play It Forward Fund ensures that charitable gaming dollars reach every corner of our community, supporting projects that would otherwise go unfunded.

Some of the projects funded through Play It Forward include:

- New playground equipment for local parks, ensuring safe and engaging spaces for children.
- Expansions to a veterans' memorial wall, honoring those who have served.
- HVAC system upgrades for the Rhame American Legion meeting hall, allowing veterans and community members to gather in a comfortable space.
- Flags and crosses for the Bowman American Legion, marking veterans' graves and preserving their legacy.
- The Girls Circle Group Program, which fosters self-esteem, connection, and leadership skills among young girls.
- Meals on Wheels through the Council on Aging, ensuring that homebound seniors receive hot meals and regular wellness checks.

Through Play It Forward, we amplify the impact of every charitable gaming dollar, distributing resources efficiently and equitably across our community. This program is proof that gaming funds, when managed effectively, can create lasting, community-wide benefits that extend far beyond traditional economic development.

If the legislation is to go through, we would urge the committee to explicitly include CVBs and community development organizations as eligible recipients, especially those recognized by a governing body, which is already a legal mechanism under century code. This simple clarification prevents misuse while ensuring that rural communities are not arbitrarily cut off from vital funding.

I urge you to oppose SB 2035 or amend the language and ensure that charitable gaming funds continue to strengthen the very communities they were designed to serve. Thank you for your time and consideration. I am happy to answer any questions or provide further details as needed.

Respectfully submitted,

Teran Doerr, Executive Director
Bowman County Development Corporation





Dear Representative,

The Valley Snowdrifters was established in 1994 to promote safe snowmobile trails for our youth and to provide a recreational sport for all ages to enjoy. Our trails are open to the public and provide safe recreational sport for many young people to enjoy. I grew up driving snowmobiles with friends and our warming house was always a great destination in the past and still is today. Our warming house has provided a warm place for kids of all ages as you can see in the attached pictures.

For the past 31 years we have maintained a single gaming site in Oakwood to produce revenue to further that cause. Our funds contribute to maintaining trails on the ND trail system after the state funds for the year have been exhausted. In addition to providing a safe riding trail system, generating funds to keep our warming house open along with our efforts to assist in promoting ND tourism during the winter months.

The Valley Snowdrifters along with maintaining trails and warming houses has donated to many causes around the communities surrounding Oakwood/Grafton. None of our funds provide a direct benefit to our officers and members. Over the past year and a half, we have donated \$40,000 back into our community. Most of these charities have a direct impact on the youth as it has always been our primary focus to help support the local community.

This also includes a youth snowmobile giveaway in which we had 200+ kids show up to drive it with a chance to win it. This was a very exciting event for the younger generation. There are two pictures attached.

We have for the past 20 plus years granted 5 Annual Scholarships to seniors at Grafton High School. We have provided funding to youth sports including hockey, basketball, baseball, softball, wrestling, archery, and trap shooting to name a few. Help support various local youth school organizations to assist with expenses such as the robotics team.

We have supported and continue to support many organizations around the area such as the Heritage Village, Fair Oaks, Life Skills Center, Imagination Library, Kiwana's Backpack Program, Walsh County Food Pantry.

We have also made numerous donations to other charities in the region.

I am writing in opposition to this bill as removing the public-spirited organization definition for snowmobile clubs for designation as a non-profit would have an extremely detrimental impact on the Oakwood/Grafton Community as a whole. Many local causes depend on our annual donations derived from our gaming site activities.

This letter is to respectfully request that you Do Not support **SB 2035 – relating to the definitions of an educational organization and public-spirited organization** that has recently been submitted to your Committee.

Respectfully,

Nicholas Osowski





Honored Committee Members

I am writing to you in opposition of SB2035. As a charity wading through the state's laws and gaming rules, it seems like I continuously run into a lot of gray areas. I have been pushing for more clarity in the gaming industry in general. I believe SB2035 does nothing for this industry, it does not fix any issues but only adds to the grey areas.

When I testified at the Senate Judiciary hearing, there were many charities that testified in opposition to this bill. I found it interesting that everyone who testified was told it would not affect their industry, yet every charity there feared it would affect them drastically. I think that says volumes about the grey area and interpretation of SB2035

The States AG's Office assures us as an amateur youth sports organization that SB2035 will not affect us at all, and we can continue to do charitable gaming. The language is not clear and leaves a lot to interpretation. What happens if there is a change in the Administration and the interpretation of the law is changed. I have experienced incidents and have received emails where the AG's office has changed the interpretation of the gaming rules. One perfect example is in the **May 2024 Gaming Division Newsletter** listed on the AG's website (bottom of Page 7) titled **Interpretation of Eligible Use Regarding Real Property**. Where the state has a new interpretation of a rule. Justified or not it is a glaring example of the state changing its mind.

The bottom line for our organization, if you look under our governing body which is USA Wrestling, we are listed as an amateur Wrestling Program. This bill is a threat to all youth and amateur sports. I do not trust the grey areas or the legislative intent. We need a bill that has clean language in black and white, not one loaded with unintended consequences. If there are organizations that Legislators do not want to have a gaming license, just list those types of organizations. Make this simple and easy to follow not more complex.

Thanks for any consideration

Rich Steidler
Matpac Wrestling



March 5, 2025

House Education Committee

SB 2035

Pat D. Heinert, Chair

For the record, my name is Kory Peterson. I am appearing before you today on behalf of the North Dakota League of Cities, in opposition to SB 2035. Prior to working with the North Dakota League of Cities, I was the Mayor of Horace for 8 years, from June 2016 to July 2024.

The League has reviewed the changes being proposed in this bill and has concerns that the language will affect cities' economic development and tourism related organizations. There are many cities in the state of North Dakota that have some form of an economic development component to help promote economic growth.

For some cities, their economic development organizations conduct charitable gaming and use those funds for ad campaigns and promotional tools benefiting all the residents of the city. Cities are having to watch their budgets closely, so it is not always possible to fund these extra activities through the city general fund and those economic development organizations have found charitable gaming as an avenue to fund those programs to provide services to the businesses in their communities.

There are cities in the state that have some form of a convention and visitors bureau. This is another way cities attract businesses and promote tourism. While some of the larger cities may have a budget to run these programs, other cities may not have the means to create or run these programs. As such, some convention and visitors bureaus operate charitable gaming as a way to raise this funding.

There is concern that if this bill passes in its current form, a proven funding source for economic development organizations and convention and visitors bureaus to run these programs will be removed and their programs will have to be either paused or eliminated. This would be detrimental to promoting economic growth and tourism in cities that have programs relying on this funding source.

The League of Cities would respectfully encourage the committee to ensure that economic development and tourism organizations that are currently recognized by city governing bodies are considered a “public-spirited organization” under Section 1 of the amendment.

Without this change, The League respectfully requests a DO NOT Pass on SB 2035.

Thank you.

Kory Peterson

North Dakota

Travel Alliance Partnership

**Testimony of Scooter Pursley
Executive Director, ND Travel Alliance Partnership
In Opposition to SB 2035
March 5, 2025**

Chairman Heinert and members of the House Education Committee:

I am Scooter Pursley and I am the executive director of the North Dakota Travel Alliance Partnership (TAP). TAP is a coalition of travel industry stakeholders, including convention and visitors bureaus, state attractions, businesses and others who help make tourism the third-largest industry in North Dakota's. On behalf of the tourism industry and its partners, I am asking you to recommend a DO NOT PASS on SB 2035 in its current form.

SB 2035 came out of the Interim Judiciary Committee's comprehensive study of the issues that have arisen from the proliferation of electronic pull tabs and other gaming in recent years. Many important issues needed addressing and this legislation fails to address many of those, like what should qualify as "charitable," how much money raised is routed to charitable work; poaching of sites; and so on.

What this bill does in its current form is strike "tourism" entities from those organizations allowed to conduct charitable gaming. Only two tourism entities in the state currently conduct gaming. Convention and visitors bureaus in Bismarck and Williston use gaming to market their cities as attractions for conferences and events that pump millions of dollars into their local economies.

The Bismarck-Mandan CVB has been conducting gaming since 1993, as part of the original intent of "public-spirited" uses as its purposes serves both communities. With just five sites, the Bismarck-Mandan CVB is a minute piece of the state's gaming industry.

Similarly, the Williston CVB has conducted gaming for 28 years and has eight gaming sites, six of which have been associated with the organization for 15 years.

In 2024, the Bismarck-Mandan Convention and Visitors Bureau used gaming funds to help attract 308 multiple-day meetings and events that attracted 275,000 attendees who spent \$229.6 million in the community. Charitable gaming accounts for about \$900,000, or half, of the Bismarck-Mandan CVB budget.

Through its gaming, Williston directly supported 19 organizations with \$402,910 in 2024. In the past five years, it has granted \$1.3 million to about 50 organizations.

As you can see, tourism-related gaming is not used to benefit one group, but rather communities at large. Without it, the municipalities in North Dakota currently conducting

charitable gaming would see less funding for marketing, fewer conferences, conventions and events, and less local and state tax revenue.

While 2035 still leaves the option open for CVBs to continue gaming as they “confer a direct benefit on the community at large,” it also leaves open the possibility of unintended consequences down the road should that status change based on action by the local political subdivision.

Simple removing CVBs and tourism did not address the real issues that the interim committee was tasked to address. It simply was low-hanging fruit that could be easily picked off to show that some action had been taken during the interim.

TAP asks that you consider give SB 2035 a DO NOT PASS in its current form and do give the real gaming issues serious study going forward, or at the very least, to restore CVBs as eligible uses for gaming under statute in the bill under consideration. Thank you for your consideration.

Scooter Pursley | Executive Director
North Dakota Travel Alliance Partnership
701-355-4458
NDtravelalliance.com
spursley@clearwatercommunications.net



PO Box 1091 • Bismarck, ND 58502
701-355-4458 • www.ednd.org

Testimony of Laura Lacher
Economic Development Association of North Dakota
In Opposition of SB 2035
March 5, 2025

Chair Heinert and members of the House Education committee:

My name is Laura Lacher, and I serve as the executive director of the Economic Development Association of North Dakota (EDND). I am submitting this testimony in opposition to SB 2035 and to highlight the importance of clear and inclusive language when defining organizations that serve our communities.

EDND represents more than 80 organizations across North Dakota that work to improve quality of life by addressing workforce needs, supporting local businesses, enhancing infrastructure, and strengthening communities. Many of these organizations rely on charitable gaming funds to provide vital services in their regions.

We believe that replacing the term “economic development organizations” with “community development organizations” in the bill would provide greater clarity and better reflect the broad scope of work these organizations perform. Community development organizations encompass not only traditional economic development efforts but also initiatives that support housing, childcare, workforce training, and other essential services that directly improve the well-being of North Dakotans.

While we support ensuring these funds are used appropriately, the language in SB 2035 is currently too subjective and could create uncertainty for organizations that have a strong track record of responsible fund management. The bill risks disqualifying organizations that provide essential services in rural communities, weakening their ability to address local needs effectively.

Charitable gaming funds have long supported crucial community programs such as childcare assistance, youth and adult education, and workforce initiatives. By clearly recognizing community

development organizations in statute, we can ensure these funds continue to strengthen North Dakota's communities in a meaningful and transparent way.

We urge the committee to recognize this important distinction and ensure SB 2035 does not unintentionally restrict access to these critical resources. To uphold strong support for North Dakota communities, we respectfully request a Do Not Pass recommendation on SB 2035 unless the proposed changes are adopted. Thank you for your time and consideration.

Charitable Gaming Organizations

Convention and Visitors Bureaus (CVBs)

- Beulah CVB
- Bismarck/Mandan CVB
- Williston CVB

Economic and Community Development Organizations (Populations under 2,000)

- New Salem Civic Club
- Buffalo Community Club
- Center Community Club
- Dunseith Community Betterment Club
- Edmore Community Club
- Finley Improvement Association
- Grandin Civic Club
- Grenora Regional Economic Development
- Cooperstown Municipal Association
- Driscoll Betterment Club
- Sykeston Community Club
- Towner Community Club
- Bowman County Development Corporation
- Garrison Area Improvement
- Hillsboro Economic Development Corporation
- Leeds Economic Development Corporation
- Mott Opportunity Today and Tomorrow
- Munich Area Development Corporation
- Newburg Community Club
- Oakes Enhancement Inc
- Pettibone Community Club
- Plaza Community Club Incorporated
- Regent Development Corporation
- Revitalize Rolla

ARTICLE XI GENERAL PROVISIONS

Section 25. The legislative assembly shall not authorize any game of chance, lottery, or gift enterprises, under any pretense, or for any purpose whatever. However, the legislative assembly shall authorize the state of North Dakota to join a multi-state lottery for the benefit of the state of North Dakota, and **the legislative assembly may authorize by law bona fide nonprofit veterans', charitable, educational, religious, or fraternal organizations, civic and service clubs, or such other public-spirited organizations as it may recognize, to conduct games of chance when the entire net proceeds of such games of chance are to be devoted to educational, charitable, patriotic, fraternal, religious, or other public-spirited uses.**

NDCC 53-06.1-01:

"Eligible organization" means a veterans, charitable, educational, religious, fraternal, civic and service, public safety, or public-spirited organization domiciled in North Dakota or authorized by the secretary of state as a foreign corporation under chapter 10-33, incorporated as a nonprofit organization, and which has been regularly and actively fulfilling its primary purpose within this state during the two immediately preceding years. However, an educational organization does not need to be incorporated or be in existence for two years. An organization's primary purpose may not involve the conduct of games. The organization may be issued a license by the attorney general. For purposes of this section, a foreign corporation authorized under chapter 10-33 is not an eligible organization unless authorized to conduct a raffle under chapter 20.1-04 or 20.1-08 and may not conduct a game other than a raffle under chapter 20.1-04 or 20.1-08.

"Charitable organization" means an organization whose primary purpose is for relief of poor, distressed, underprivileged, diseased, elderly, or abused persons, prevention of cruelty to children or animals, or similar condition of public concern.

"Civic and service organization" means an organization whose primary purpose is to promote the common good and social welfare of a community as a sertoma, lion, rotary, jaycee, kiwanis, or similar organization.

"Educational organization" means a nonprofit public or private elementary or secondary school, two-year or four-year college, or university.

"Fraternal organization" means an organization, except a school fraternity, which is a branch, lodge, or chapter of a national or state organization and exists for the common business, brotherhood, or other interests of its members. The organization must have qualified for exemption from federal income tax under section 501(c)(8) or 501(c)(10) of the Internal Revenue Code.

"Public safety organization" means an organization whose primary purpose is to provide firefighting, ambulance service, crime prevention, or similar emergency assistance.

"Religious organization" means a church, body of communicants, or group gathered in common membership whose primary purpose is for advancement of religion, mutual support and edification in piety, worship, and religious observances.

"Veterans organization" means any congressionally chartered post organization, or any branch or lodge or chapter of a nonprofit national or state organization whose membership consists of individuals who are or were members of the armed services or forces of the United States. The organization must have qualified for exemption from federal income tax under section 501(c)(19) of the Internal Revenue Code.

"Public-spirited organization" means an organization whose primary purpose is for scientific research, amateur sports competition, safety, literary, arts, preservation of cultural heritage, educational activities, educational public service, youth, economic development, tourism, community medical care, community recreation, or similar organization, which does not meet the definition of any other type of eligible organization. However, a nonprofit organization or a group of people recognized as a public-spirited organization by a governing body of a city or county for obtaining a permit does not need to meet this definition.

Over 146 "Public Spirited" organization out of a total 337 licensed gaming organizations.

Dear Representative,

The Valley Snowdrifters Snowmobile Club was established in 1994 to promote safe snowmobile trails. For the past 31 years we have maintained a single gaming site in Oakwood to produce revenue to further that cause. The gaming funds significantly contribute to maintaining trails on the North Dakota public trail system after the state funds for the year have been exhausted. In addition to providing a safe riding trail system, our efforts assist in promoting ND tourism and youth activities during the winter months. None of our funds provide a direct benefit to our officers and members.

The organization's excess gaming income is donated to surrounding communities focused primarily on youth activities, education and organizations. Last year alone they included: Fair Oaks youth golf program, youth trap shooting program at the Walsh County gun club, youth softball program, Little Spuds - childcare center in Hoople, Legion Baseball program, youth baseball program, Grafton School robotics program, After-prom committee, and a snowmobile give-away where kids came out for food and fun during a drive to enter event put on by our snowmobile club.

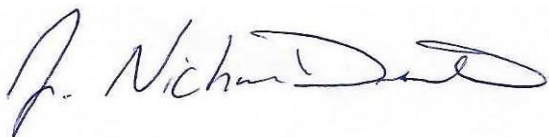
We have also made numerous donations to other charitable organizations and public facilities including: Heritage Village, Life Skills and Transition Center, Walsh County Food Pantry and numerous Community area Medical Fundraising events that benefit the residents within our communities. We pride ourselves by giving back to the local communities, organizations and non-profit entities.

Removing the public-spirited organization definition for snowmobile clubs for designation as a non-profit would have an extremely detrimental impact on the Oakwood/Grafton Community as a whole. Also, being an active member of the Grafton Curling Club I fully support their testimonies as well. Annual donations derived from our gaming site activities significantly support our communities. We believe these funds make a very large impact within our surrounding communities in many ways to support our youth development and programs that shape the culture of North Dakota.

This letter is to respectfully request that you Do Not support **SB 2035 – relating to the definitions of an educational organization and public-spirited organization** that has recently been submitted to your Committee.

Respectfully,

J. Nicholas Desautel

A handwritten signature in dark ink, appearing to read "J. Nicholas Desautel". The signature is fluid and cursive, with the first name "J." and last name "Desautel" clearly distinguishable.

2025 HOUSE STANDING COMMITTEE MINUTES

Education Committee Coteau AB Room, State Capitol

SB 2035
3/19/2025

Relating to the definitions of an educational organization and public-spirited organization, and raffles; and to provide for application.

9:35 a.m. Chairman Heinert called the hearing to order.

Members Present: Chairman Heinert, Vice Chairman Schreiber- Beck, Representatives, Conmy, Hager, Hatlestad, Hauck, Heilman, Jonas, Longmuir, Maki, Marchall, Morton, Novak, Osowski

Discussion Topics:

- Committee action

9:36 a.m. Vice Chair Schriber- Beck moved to adopt proposed amendment. #43002

9:41 a.m. Representative Conmy seconded the motion.

Representatives	Vote
Representative Pat D. Heinert	Y
Representative Cynthia Schreiber-Beck	Y
Representative Liz Conmy	Y
Representative LaurieBeth Hager	N
Representative Patrick R. Hatlestad	Y
Representative Dori Hauck	Y
Representative Matthew Heilman	N
Representative Jim Jonas	Y
Representative Donald W. Longmuir	AB
Representative Roger A. Maki	N
Representative Andrew Marschall	N
Representative Desiree Morton	N
Representative Anna S. Novak	Y
Representative Doug Osowski	N

Motion carried: 7-6-1

9:57 a.m. Chairman Heinert closed the hearing.

Leah Kuball, Committee Clerk

March 24, 2025

Sixty-ninth
Legislative Assembly
of North Dakota

PROPOSED AMENDMENTS TO

VC 3/24/25
1 of 3

SENATE BILL NO. 2035

Introduced by

Legislative Management

(Judiciary Committee)

- 1 A BILL for an Act to amend and reenact subsections 7 and 21 of section 53-06.1-01,
2 subdivision a of subsection 1 of section 53-06.1-03, subsection 2 of section 53-06.1-10.1, and
3 subdivision c of subsection 2 of section 53-06.1-11.1 of the North Dakota Century Code, relating
4 to the definitions of an educational organization and public-spirited organization, and raffles; and
5 to provide for application.

6 **BE IT ENACTED BY THE LEGISLATIVE ASSEMBLY OF NORTH DAKOTA:**

7 **SECTION 1. AMENDMENT.** Subsections 7 and 21 of section 53-06.1-01 of the North
8 Dakota Century Code are amended and reenacted as follows:

- 9 7. "Educational organization" means a nonprofit public or private elementary or
10 secondary school, two-year or four-year college, or university. The term includes a
11 collegiate athletic organization and an educational public service organization when
12 providing educational activities.
13 21. "Public-spirited organization" means an organization ~~whose~~the primary purpose of
14 which is for scientific research, ~~amateur sports competition,~~ safety, ~~literary~~literature,
15 arts, preservation of cultural heritage, ~~educational activities,~~ ~~educational public service,~~
16 youth, economic development, ~~tourism,~~support of a designated convention center or
17 visitor bureau, or community medical care, ~~community recreation, or similar~~
18 ~~organization, which does not meet the definition of any other type of eligible~~
19 ~~organization.~~ However, a domestic nonprofit organization or a group of people
20 recognized as a public-spirited organization by a governing body of a city or county for

1 obtaining a permit does not need to meet this definition ~~any other organization, or~~
2 ~~group recognized by a governing body of a city or county, organized and operated not~~
3 ~~for pecuniary profit or gain but for the primary purpose of improving or alleviating a~~
4 ~~condition of public concern within the state or conferring a direct benefit on the~~
5 ~~community at large. The term does not include a nonprofit club, association, or~~
6 ~~organization, the primary purpose of which is to provide a direct benefit to its officers~~
7 ~~or members.~~

8 **SECTION 2. AMENDMENT.** Subdivision a of subsection 1 of section 53-06.1-03 of the
9 North Dakota Century Code is amended and reenacted as follows:

- 10 a. ~~An organization recognized as a~~ A domestic nonprofit public-spirited organization
11 or group of people recognized by the governing body of a city or county may
12 apply for permits. A local permit may allow the organization to conduct only
13 raffles, bingo, or sports pools. A restricted event permit may allow the
14 organization to conduct only raffles, bingo, sports pools, paddlewheels,
15 twenty-one, and poker. The organization or closely related organizations as a
16 whole may only award a primary prize that does not exceed eight thousand
17 dollars and total prizes of all games do not exceed forty thousand dollars per
18 year. These maximum prize amounts do not apply to raffles conducted under
19 chapter 20.1-08. The determination of what is a domestic nonprofit
20 "public-spirited organization" is within the sole discretion of the governing body.
21 An organization shall disclose on the application its intended use of the net
22 income from the gaming activity. A governing body may issue a permit for games
23 to be held at designated times and places.

24 **SECTION 3. AMENDMENT.** Subsection 2 of section 53-06.1-10.1 of the North Dakota
25 Century Code is amended and reenacted as follows:

- 26 2. The maximum cash prize limits of this section do not apply to ~~a public-spirited~~ an
27 educational organization that supports amateur collegiate athletics.

28 **SECTION 4. AMENDMENT.** Subdivision c of subsection 2 of section 53-06.1-11.1 of the
29 North Dakota Century Code is amended and reenacted as follows:

- 1 c. Uses benefiting an indefinite number of persons by bringing them under the
2 influence of education, cultural programs, or religion which include disbursements
3 to provide:
- 4 (1) Scholarships for students, if the disbursement is deposited in a scholarship
5 fund for defraying the cost of education to students and the scholarships are
6 awarded through an open and fair selection process.
- 7 (2) Supplementary assistance to a public or private nonprofit educational
8 institution registered with or accredited by any state.
- 9 (3) Assistance to libraries and museums.
- 10 (4) Assistance for the performing arts and humanities.
- 11 (5) Preservation of cultural heritage.
- 12 (6) Youth community, youth athletic, and social welfare, ~~and athletic activities.~~
- 13 (7) ~~Adult amateur athletic activities within the state, including team uniforms~~
14 ~~and equipment.~~
- 15 (8) Maintenance of places of public worship or support of a body of
16 communicants, gathered in common membership for mutual support and
17 edification in piety, worship, or religious observances.
- 18 (9)(8) Scientific research.

19 **SECTION 5. APPLICATION.** This Act applies to an eligible organization applying for or
20 renewing a license after the effective date of this Act.

Sixty-ninth
Legislative Assembly
25.0280.01000

Sixty-ninth Legislative Assembly of North Dakota

Introduced by

Legislative Management (Judiciary Committee)

PROPOSED AMENDMENT TO

SENATE BILL NO 2035

1 A BILL for an Act to amend and reenact subsections 7 and 21 of section 53-06.1-01,
2 subdivision a of subsection 1 of section 53-06.1-03, subsection 2 of section 53-06.1-10.1, and
3 subdivision c of subsection 2 of section 53-06.1-11.1 of the North Dakota Century Code, relating
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5 to provide for application.

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11 collegiate athletic organization and an educational public service organization when
12 providing educational activities.
13 21. "Public-spirited organization" means an organization ~~whose~~the primary purpose of
14 which is for scientific research, ~~amateur sports competition,~~ safety, ~~literary literature,~~
15 arts, preservation of cultural heritage, ~~educational activities, educational public service,~~
16 youth, economic development, ~~tourism,~~ designated convention and visitors bureau, or
17 community medical care, ~~community recreation, or similar organization, which does~~
18 ~~not meet the definition of any other type of eligible organization.~~ However, a domestic
19 nonprofit organization or a group of people recognized as a public-spirited organization
20 by a governing body of a city or county for obtaining a permit does not need to meet this
21 definition. ~~any other organization, or group recognized by a governing body of a city or~~
22 ~~county, organized and operated not for pecuniary profit or gain but for the primary~~
23 ~~purpose of improving or alleviating a condition of public concern within the state or~~
24 ~~conferring a direct benefit on the community at large.~~ The term does not include a
25 nonprofit club, association, or organization, the primary purpose of which is to provide a
26 direct benefit to its officers or members.

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3 a. ~~An organization recognized as a~~ A domestic nonprofit public-spirited organization ~~or~~
4 group of people recognized by the governing body of a city or county may apply for
5 permits. A local permit may allow the organization to conduct only raffles, bingo, or
6 sports pools. A restricted event permit may allow the organization to conduct only
7 raffles, bingo, sports pools, paddlewheels, twenty-one, and poker. The organization
8 or closely related organizations as a whole may only award a primary prize that
9 does not exceed eight thousand dollars and total prizes of all games do not
10 exceed forty thousand dollars per year. These maximum prize amounts do not
11 apply to raffles conducted under chapter 20.1-08. The determination of what is a
12 domestic nonprofit "public-spirited organization" is within the sole discretion of the
13 governing body. An organization shall disclose on the application its intended use
14 of the net income from the gaming activity. A governing body may issue a permit for
15 games to be held at designated times and places.

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21 North Dakota Century Code is amended and reenacted as follows:

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23 influence of education, cultural programs, or religion which include disbursements
24 to provide:
25 (1) Scholarships for students, if the disbursement is deposited in a scholarship
26 fund for defraying the cost of education to students and the scholarships are
27 awarded through an open and fair selection process.
28 (2) Supplementary assistance to a public or private nonprofit educational
29 institution registered with or accredited by any state.

- 1 (3) Assistance to libraries and museums.
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- 3 (5) Preservation of cultural heritage.
- 4 (6) Youth community, ~~and~~ , youth athletic, and social welfare, ~~and athletic~~
- 5 activities.
- 6 (7) ~~Adult amateur athletic activities within the state, including team uniforms~~
- 7 ~~and equipment.~~
- 8 (8) Maintenance of places of public worship or support of a body of
- 9 communicants, gathered in common membership for mutual support and
- 10 edification in piety, worship, or religious observances.
- 11 (9)(8) Scientific research.

12 **SECTION 5. APPLICATION.** This Act applies to an eligible organization applying for or
13 renewing a license after the effective date of this Act.

2025 HOUSE STANDING COMMITTEE MINUTES

Education Committee Coteau AB Room, State Capitol

SB 2035
3/24/2025

Relating to the definitions of an educational organization and public-spirited organization, and raffles; and to provide for application.

9:59 a.m. Chairman Heinert called the meeting to order.

Members Present: Chairman Heinert, Vice Chairman Schreiber- Beck, Representatives, Conmy, Hager, Hatlestad, Hauck, Heilman, Jonas, Longmuir, Maki, Marchall, Morton, Novak, Osowski

Discussion Topics:

- Non- profit organizations
- State gaming license
- EPIC Fargo ND

10:00 a.m. Deb McDaniels, submitted testimony #43638

10:47 a.m. Representative Heilman moved a Do Not Pass as Amended.

10:47 a.m. Representative Hager seconded the motion.

Representatives	Vote
Representative Pat D. Heinert	Y
Representative Cynthia Schreiber-Beck	Y
Representative Liz Conmy	Y
Representative LaurieBeth Hager	Y
Representative Patrick R. Hatlestad	Y
Representative Dori Hauck	Y
Representative Matthew Heilman	Y
Representative Jim Jonas	AB
Representative Donald W. Longmuir	Y
Representative Roger A. Maki	Y
Representative Andrew Marschall	Y
Representative Desiree Morton	Y
Representative Anna S. Novak	Y
Representative Doug Osowski	Y

Motion carried: 13-0-1 (Representative Jonas is exempt from voting).

10:51 a.m. Vice Chairman Schrieber- Beck moved to Place SB 2035 on the Consent Calendar.

10:52 a.m. Representative Longmuir seconded the motion.

Representatives	Vote
Representative Pat D. Heinert	N
Representative Cynthia Schreiber-Beck	Y
Representative Liz Conmy	Y
Representative LaurieBeth Hager	N
Representative Patrick R. Hatlestad	Y
Representative Dori Hauck	N
Representative Matthew Heilman	N
Representative Jim Jonas	AB
Representative Donald W. Longmuir	Y
Representative Roger A. Maki	N
Representative Andrew Marschall	N
Representative Desiree Morton	N
Representative Anna S. Novak	N
Representative Doug Osowski	N

Motion failed: 4-9-1 Representative Jonas is exempt.

Bill Carrier: Representative Heilman

10:53 a.m. Chairman Heinert closed the hearing.

Leah Kuball, Committee Clerk

**REPORT OF STANDING COMMITTEE
SB 2035**

Education Committee (Rep. Heinert, Chairman) recommends **AMENDMENTS** ([25.0280.01001](#)) and when so amended, recommends **DO NOT PASS** (13 YEAS, 0 NAYS, 1 ABSENT OR EXCUSED AND NOT VOTING). SB 2035 was placed on the Sixth order on the calendar.

ARTICLE XI GENERAL PROVISIONS

Section 25. The legislative assembly shall not authorize any game of chance, lottery, or gift enterprises, under any pretense, or for any purpose whatever. However, the legislative assembly shall authorize the state of North Dakota to join a multi-state lottery for the benefit of the state of North Dakota, and **the legislative assembly may authorize by law bona fide nonprofit veterans', charitable, educational, religious, or fraternal organizations, civic and service clubs, or such other public-spirited organizations as it may recognize, to conduct games of chance when the entire net proceeds of such games of chance are to be devoted to educational, charitable, patriotic, fraternal, religious, or other public-spirited uses.**

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Over 146 "Public Spirited" organization out of a total 337 licensed gaming organizations.